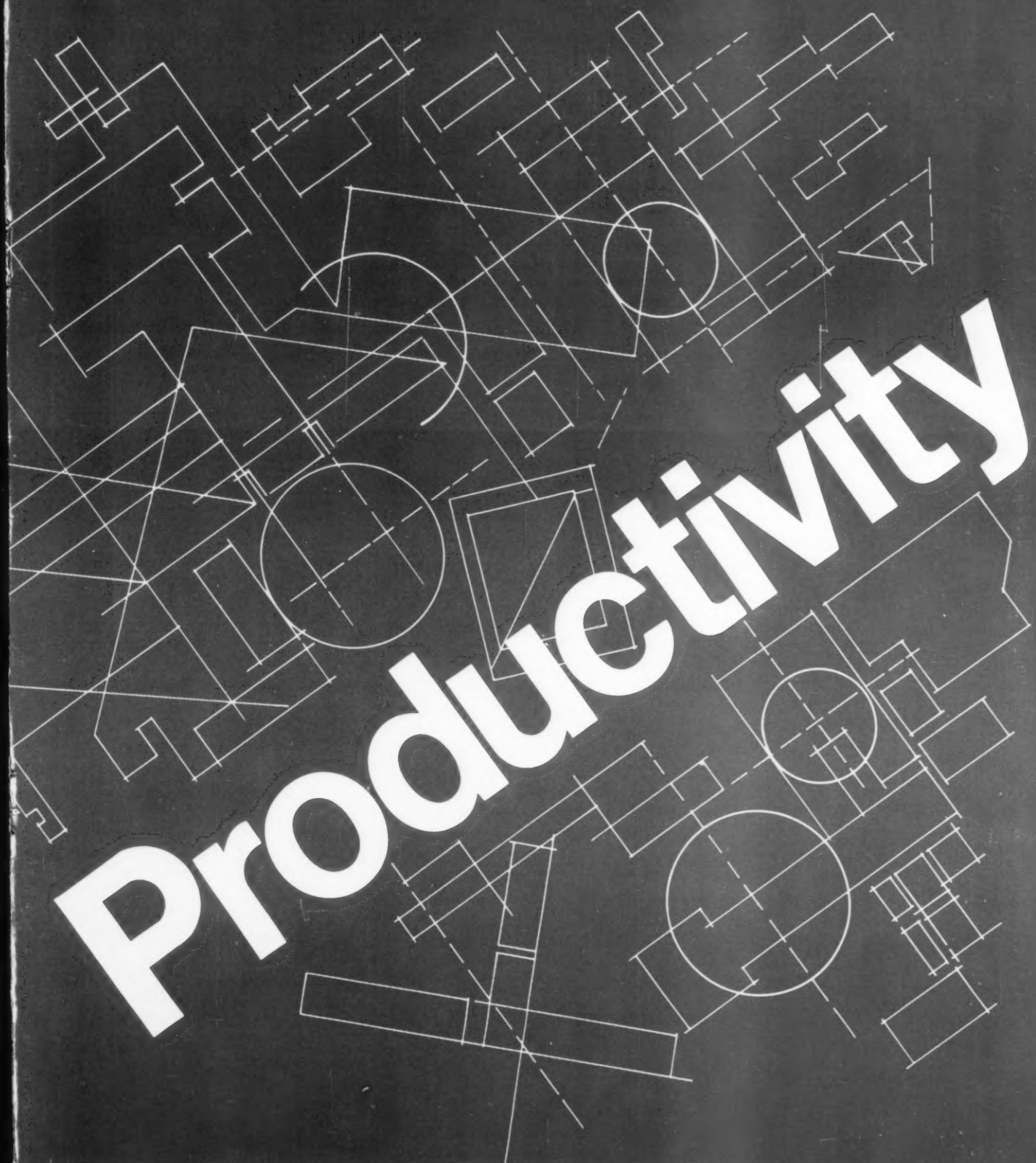
Commerce Today
JULY 21, 1975



Productivity

FROM THE
SECRETARY

Probing The Problem Of Capital

Capital formation isn't the name of a new Washington Redskins' play, nor is it a new esoteric economic theory. It is a shorthand description for the vital task ahead of assembling the funds needed to create and expand the country's productive capacity.

Finding these funds and assuring their supply so that we have adequate facilities for producing energy, transportation systems, basic materials such as steel, housing, food, hospitals and schools in the years ahead is a problem now perplexing businessmen, economists, Congressmen and government officials.

Those who follow and analyze the economy are worried that over the next decade or so we won't have available the necessary savings for investment in the new facilities needed to power the nation's industrial machine unless we start taking some immediate corrective measures. Why?

Well for one thing, corporate profits—a significant portion of which are supposed to enable a company to modernize facilities or build new ones—aren't what they appear to be. Corporate profits after taxes in 1974 were $85 billion compared to $49.9 billion in 1966, apparently a dramatic increase of 70 percent. But when the figures are adjusted for inflation, after-tax profits actually show only an 18 percent increase.

For another thing, inflation has worked its very harmful effects here as elsewhere: where depreciation reserves are based on initial cost, instead of replacement cost, the intended reserves are sorely inadequate.

Finally, recession has crimped profits, so the annual rate of real after-tax profits in the first quarter of 1975 was actually below the 1966 figure.

The recent sharp contraction in economic activity, which now appears to be ending, has also affected personal savings and investment by slowing the growth in personal incomes. This has reduced the amount of funds that would have been saved and made available for investment. Further, wage-price controls in force from 1971 to 1974 held down profits, decreased cash flow and depressed capital borrowing capacity.

What can be done to enable business and industry to meet their future investment needs? One suggested approach would be to end the double taxation imposed first on corporate profits and then on the dividends the corporation pays its stockholders. Elimination of this two-tier tax, called "integration," has been adopted in various ways and degrees by the United Kingdom, Canada, France, Germany, Belgium and Japan, and sooner or later the lower business tax costs in these countries will be reflected in the price of foreign goods, which will tend to put U.S. manufactured goods at a competitive disadvantage. In all probability, integration can only be realistically attained if business is willing to give up some of the specialized tax preferences it now enjoys.

Other approaches would be more liberalized depreciation allowances in the face of inflation or a reduction in corporate tax rates. The latter is direct and uncomplicated. It could be accomplished within the framework of existing law, with amendment of rate only.

Controlling inflation is, of course, a prime requirement for freeing funds for investment. The Federal Government can play a key role in this regard by following responsible fiscal and monetary policies, which could mean operating at a small budget surplus when the economy is operating at a high level of employment. Such budget balancing would help check inflation — the voracious foe of saving and investment; hold down interest rates, thereby encouraging new investment, and provide a source of savings to the economy to meet the borrowing needs of those who want to invest.

Capital formation is a critical challenge. The solutions outlined here, and others, are being weighed and analyzed. As we probe deeper into the problem, we should find additional ways to assemble the massive amounts of money needed to meet America's vast needs for growth and improvement. The subject requires attention and creative resources now, not at some distant point in time.

John K. Tabor

Commerce Today

Vol. V, No. 21, July 21, 1975

2 Economic Highlights

A comparison of the behavior of money, interest rates and credit in recent months with their performance before and after previous recession low points provides perspective on current business conditions.

4 Newsmemo

5 Labor, Management Get Together To Swap Productivity Success Stories

The National Commission on Productivity and Work Quality and the Federal Mediation and Conciliation Service co-sponsored a Washington workshop to elicit views on boosting productivity.

8 Worldwide Credit, Collection, Exchange Problems Are Put Under Monthly Spotlight By FCIB Members

Cooperative round table conference of New York-based export finance group provides up-to-date information on constantly changing payment situations abroad.

10 Already A Key Economic Force, Fishing Industry Gets U.S. Boost

Commerce agencies are playing a major role in assisting the U.S. fishing industry toward diversification and expansion.

14 Energy Management Digest

15 Domestic Business Report

A false sense of security has led the public to minimize hurricane warnings—Commerce grants aid minority businesses in five states—New classification system for work vessels should help increase their export—Cooling degree days will help homeowner estimate summer energy usage—Calendar for businessmen.

19 International Commerce Report

Quarterly World Market Report—Sales assessments by trade missions offering railway equipment in Africa, textile machinery in Middle East—Multilateral Trade Negotiations progress—New actions on commodity agreements—Reports from Commerce-sponsored exhibitions abroad—First-year review of Canadian foreign investment act—Economic trends in Japan, Nicaragua, Australia—New publications for international traders—Worldwide business opportunities in licensing, sales, construction.

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COVER: *A blueprint for improving labor-management relations as they affect productivity is the aim of a series of conferences and workshops across the country. Story on page 5 relates continuing efforts to increase U.S. productivity.*

A Perspective On Current Conditions

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

A review of money, interest rates, and corporate credit demands immediately before and after the low points of production in economic recessions may be very helpful in analyzing the current business situation. These comparisons may provide a useful historical framework for expectations about the future of these variables during the economic expansion that now appears to be underway.

This article compares the behavior of these financial variables over the recessions and recoveries of 1953-54, 1957-58, 1960-61 and 1970-71 with their performance from May 1974 to May 1975. The accompanying charts present profiles of six series during these years.

In Charts 1 through 5, monthly plots appear within a time window of 25 months, centered at the reference trough of the Federal Reserve Industrial Production Index in each recession. The monthly levels of each variable are presented as a percentage of the level experienced at the trough point of the production index. The troughs are: April 1954, April 1958, February 1961, and November 1970. For the recent contraction, May 1975 is used as a trough point merely for convenience, and its use does not imply that the production index was necessarily in its trough then. In Chart 6, the plots are made at quarter points, since the data are not available on a monthly basis, and a 7-quarter centered window is used.

Looking first at money stock (demand deposits and currency) and time deposit behavior, Charts 2 and 3 show upward trends across the time frame. In the year prior to May 1975, the money stock grew at somewhat over 4 percent, more than in three previous recessions. Its recent movement resembles the pattern followed during the 1970-71 recession. Practically no change at all occurred in the money stock during either the 1953-54 or the 1957-58 recessions. Money stock expanded somewhat faster during production recovery periods than during production declines. The largest increase in the money stock during any of the post-trough years, however, was about 7 percent.

The time deposit profiles generally indicate more trend growth than the money stock series. However, since the time deposits are an interest-bearing liquidity device, they reflect not only the trend but shifts in the liquidity desires of the economy as well. In the two years spanning the trough of the 1970-71 recession, as the chart indicates, the time deposit growth was greater than in any of the other periods. The profile of time deposit movement in the recent contraction resembles that of 1953-54.

Adjustments of the economy's monetary system to production conditions are usually rapidly reflected in movements of short-term interest rates. The 90-day Treasury Bill rate is a well-recognized indicator of these adjustments. It is very responsive to credit demands for the government's financing needs, monetary policy, and sometimes foreign saving flows. In some respects the Treasury Bill rate competes with the prime rate and therefore indirectly reflects inventory financing demands. The profiles of the Treasury Bill rate appear in Chart 4. As indicated the profiles show considerable latitude of movement. In terms of total percentage decline, the contraction of the rate from 8.23 in May 1974 to its May 1975 level of 5.32 is very much like the 12-month contraction in 1960-61, but much smaller than the contractions in 1953-54 and 1957-58 and slightly more than in 1970-71.

Trailing the trough

Two relationships in the behavior of the bill rate can be gleaned from the charts. First, by the end of the first year of any recovery from the production trough, the rate had never returned to its level a year prior to the trough of production activity. Second, the bill rate's trough always trailed the trough in production, by as little as two months in 1954 and 1958 and by as much as five months in 1961.

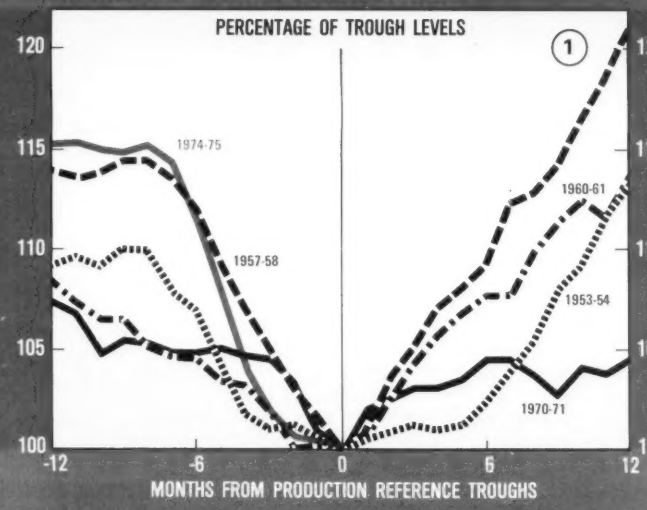
In contrast to the variation in the Treasury Bill rate, long-term rates of interest vary much less, primarily because they are based on information and expectations relating to much longer time horizons. The Aaa corporate bond rate profiles are shown in Chart 5. The corporate bond rate movement of the recent contraction appears more stable than in other cycles. The most notable observation on the expansion patterns is the recovery of 1971 when the corporate rate actually fell to about 90 percent of its level at November 1970, the production trough month. This change was in sharp contrast to the behavior of the rate in the year after the trough of April 1958, when the rate moved to about 18 percent above the level at the trough.

Both the corporate bond rate and the prime rate are the outcomes of the financing needs of business pitted against the external supplies of credit for fixed and inventory investment. Graph 6 illustrates the movement of the ratio of non-financial corporate borrowing to capital expenditures, as a measure of the credit problem firms faced in previous recessions and recoveries and in the last quarter of 1974 and the first quarter of 1975. In the third quarter of 1974, the ratio stood at 61.5 percent, strikingly high, but it was cut substantially by the first quarter of 1975 to 38.4 percent. In general, as the chart indicates, there has been a continuous rise of the profiles of the ratios over time.

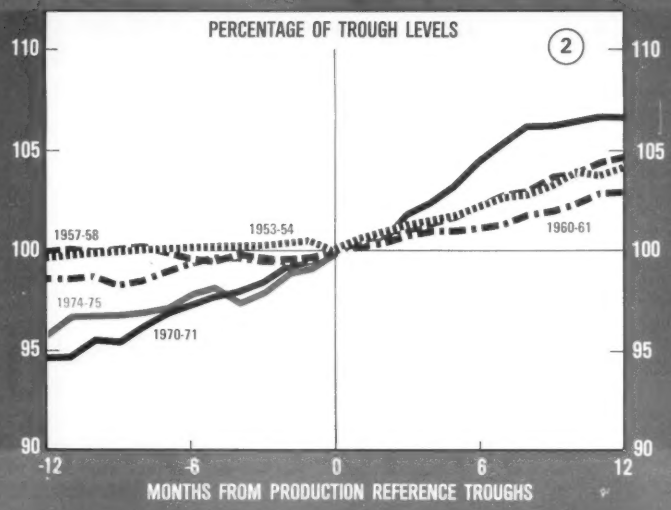
The series examined in this article display a variety of behavior and no firm conclusion can be drawn as to future developments in the present recovery. However, to assemble briefly the resemblances of the recent contraction with those of the past that were noted along the way, it appears that the recent contraction from the viewpoint of the total production index was similar to that of the 1958-59 recession movement. In terms of time deposits, it resembled the 1953-54 pattern. In terms of money stock, the Treasury Bill rate, and, to some degree, the ratio of borrowing by non-financial corporations to their investment, it resembled the 1970-71 patterns.

The amplitudes of changes in the economy's performance have their limits and undoubtedly the economy's structure shifts to some degree through time. Likewise policy shifts occur. These conditions temper the movements in any economic variable and must be considered carefully when using past performances of variables for predictive purposes.

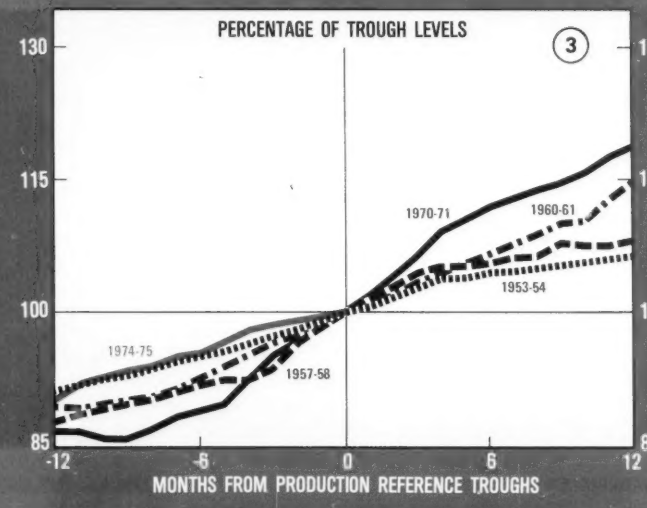
INDUSTRIAL PRODUCTION INDEX *



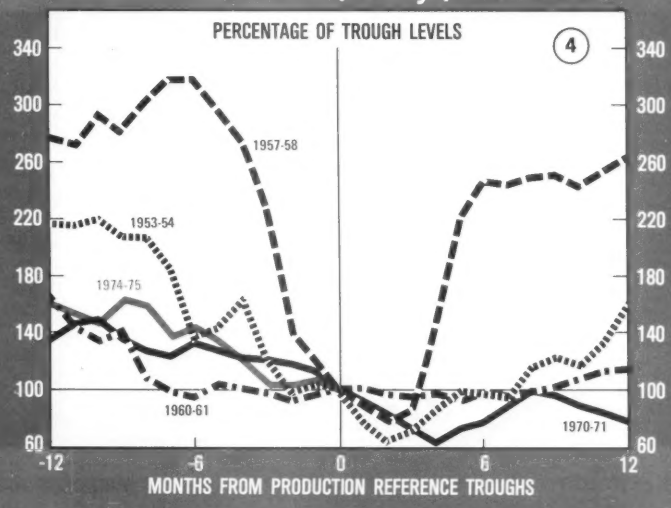
MONEY SUPPLY *



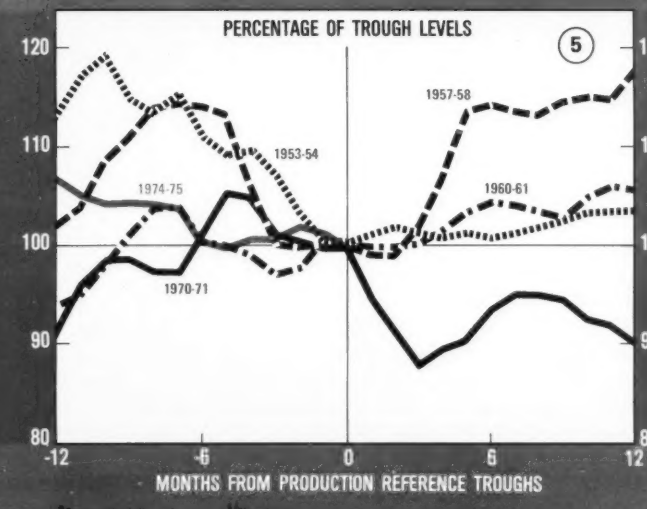
TIME DEPOSITS *



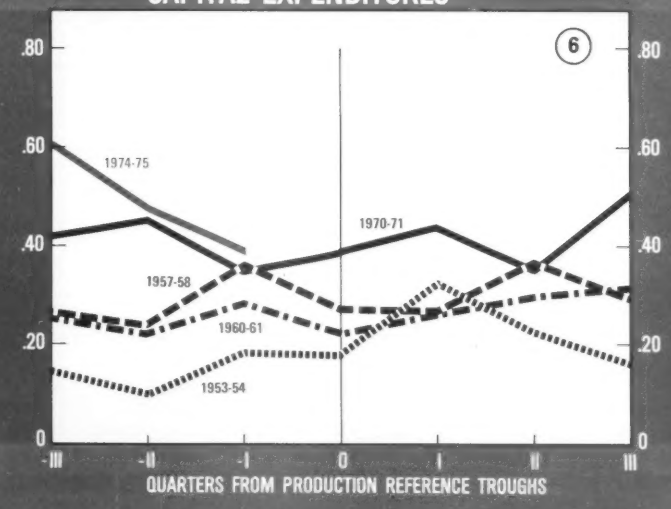
TREASURY BILL RATE (90 days) 1/



Aaa CORPORATE BOND RATE



RATIO: CORPORATE BORROWING TO CAPITAL EXPENDITURES 2/



*Seasonally Adjusted

1/New issues

2/Borrowing of Nonfinancial Corporations

Newsmemo

Delaware and California nourish the spirit of invention best, according to the latest Commerce Department figures. Statistics for 1974 show that one patent was granted for each 1,095 persons in Delaware, best per capita record in the nation. California had the highest total, 7,200. Other leaders in the total column were New York, 5,649; Illinois, 4,448; New Jersey, 3,973; Pennsylvania, 3,868. Of the total of 80,839 patents issued by the Patent and Trademark Office in 1974, residents of foreign countries got 26,514, with Germany and Japan considerably outdistancing the others.

Siberia connotes remoteness to most Americans, but not to State of Washington businessmen. An exhibition by that state's International Trade Fair in Khabarovsk brought 4,000 Soviet managers, engineers, research scientists and planners. They examined heavy trucks, plywood-forming and other wood-products machinery, mining gear, portable sawmills, insulated pipe, concrete block-makers, electronic test and measurement devices, food fryers and even chemical toilets. Seattle and Tacoma port promoters pointed out that they are closer to Khabarovsk than the USSR's Black and Baltic Sea ports. Now come the follow-up contacts as the Soviet planners open up Siberia's gas, oil, timber, mineral and fisheries resources.

Eximbank is asking for business reaction in its current effort to reduce international credit competition. The U.S. leads in high price tag exports of advanced technology or project equipment, which justify extended repayment terms. Other countries, selling consumer goods or less costly equipment, are pressing for strict repayment limits. The U.S. seeks a floor on interest rates because of its policy that keeps export financing on a self-sustaining basis. Other trading nations use tax subsidies to bring down such rates. In a compromise move, the U.S. has suggested some extension of loan maturities after consultation on specific cases with competitor nations. But Eximbank, noting some risks of contract disclosure in this process, wants to hear from U.S. firms about the proposal.

Can the worrisome income "gap" between the rich nations and the poor nations be cut? Only through major changes in world trade and growth patterns, a new UN study concludes. To cut the gap in half by the year 2000 the following changes must occur: 1) Third World countries will have to increase their share of global export markets sharply; 2) they must get considerably better relative prices for their products; 3) the pace of their industrialization must be stepped up; 4) they must save and invest more; 5) they must be assured a reasonable transfer of resources from the rich nations.

Metric changeover has already placed its forward shadow on the book publishing industry. Though conversion is still only a proposal rather than an actual program, some states have directed that metric terminology be included in math and science texts. California, for one, wants this done by the end of 1976. Differences in state requirements, even to the spellings "meter" or "metre", have caused dismay among the textbook publishers, who are faced with costly multiple-edition possibilities. The industry recently recommended to the House Committee on Science and Technology a specified changeover goal of ten years, set by the Federal Government for nationwide guidance.

Too many sizes, too many shapes. The retail food industry is studying the benefits in productivity that could flow from standardization of containers and packages. Efficiency in shipping and warehousing could be stepped up through better use of space, and damage to merchandise reduced. But first the opposite trend toward proliferation in items must be slowed. A typical supermarket carried 8,000 items in 1969, almost 1,000 more in 1974. Any large scale changeover to modular packaging would mean extensive retooling and would probably be tied to changes made in switching to the metric system.

Automated front end vs. item pricing. Sounds like a conflict in the engineering lab, but it is happening in a most public place, the supermarket checkout counter. The automated front end is a system using scanners and computers to cut time and costs in toting up customers' bills. Food chain spokesmen say some of this gain is lost if prices must be marked on each package. But consumer groups and labor unions have been advocating legislation that would require such price marking. Rhode Island has become the first state to put this requirement into law. It stipulates that "each commodity shall be stamped... (with) the total price...if and when a computerized system is used." Similar legislation awaits in about 20 states.

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Labor, Management Get Together; Swap Productivity Success Stories

A new definition of the word productivity was sought by W. J. Usery, Jr., director of the Federal Mediation and Conciliation Service, at a recent Washington conference on New Initiatives in Labor-Management Cooperation. Usery called for "a new word that can encompass the true meaning of the word productivity . . . a word that expresses greater job satisfaction and better pay . . . enhanced efficiency and finer quality and a stable, fair return on investment—a word that translates into pride and dignity for everyone who contributes to getting a better job done."

Approximately 250 representatives from industry, labor and government attended the all-day conference, which was co-sponsored by the National Commission on Productivity and Work Quality and the Federal Mediation and Conciliation Service. The Commission had previously sponsored six conferences in the Midwest and East. Participants attended a series of 1½-hour workshops to learn how other companies and municipal government have improved labor-management relationships as they relate to productivity.

Autonomous work teams tried

Rushton Mining Company of Philipsburg, Pa., was represented by its president, a foreman and two miners, who discussed how the introduction of autonomous work teams to two sections had affected the company and its employees, members of the United Mine Workers of America.

The autonomous work concept means that each team of nine men takes responsibility for production in their section of the mine. All team members learn all the jobs in their section, and take special training on state and federal safety regulations.

The president, Warren H. Hinks, Jr., stressed how increased worker satisfaction, lower absenteeism and, especially, reduced accident rates had profited the company. The foreman expressed his pleasure at being responsible primarily for enforcement of health and safety rather than production. The mine workers said it gave them opportunities to try different jobs, take more responsibility and make decisions.

Said Hinks, praising the program, "The average worker wants to make an intelligent and creative contribution. I know it may be difficult for some of you to

RESPONDING TO A QUESTION—*John Popular (left), Federal Mediation & Conciliation Service, was a panelist at a recent productivity workshop. Others are (seated, l. to r.) moderator Jerome Rosow, Wilson Sawyer of Georgia-Pacific Corp. and V. J. Dinardo of the United Paperworkers Int'l Union. Georgia-Pacific used the Relations by Objective program to improve communications.*

believe, but miners like their work. They want to be involved in decision-making that affects them."

"In the new system, the men receive training which gives them the necessary information to make decisions. We believe authority should go with this knowledge. Also, autonomous work teams provide the worker with horizontal mobility—he can try a variety of assignments. Formerly, he had only vertical mobility—he had to wait for someone to resign or die before he could change jobs."

The Rushton project is one of the beneficiaries of a program of the National Quality of Work Center, funded by Commerce's Economic Development Administration, to introduce a third party into labor-management discussions.

Problems in communicating

Problems at a paper mill in Woodland, Me., owned by Georgia-Pacific Company had reached the point in 1974 where management and the five labor unions working there weren't communicating effectively with each other. For this reason, the Federal Mediation and Conciliation Service suggested its Relations by Objective program, which had worked successfully when all else had failed in similar situations. Managers and workers attended intensive, three-day training programs to learn how to use the goal-setting approach.

After the initial group of 40 top management and labor officials completed the program, their success prompted Georgia-Pacific to schedule seminars for 120 more employees on the level of supervisors and shop stewards. Industrial Relations Director W. L. Sawyer pointed out that following the introduction of Relations by Objective, 75-80 percent fewer grievances were filed, and those that were had more merit.

Local initiative

The Labor-Management Committee of Jamestown, N.Y., has found a different way to improve productivity. The situation in Jamestown in 1972 was crucial: unemployment stood at 10 percent, there had been a 20-year decline in industrial jobs, needed skills were dying out, young people were leaving for greener pastures, plants were moving south, management and labor frequently weren't speaking to each other. Mayor Stanley Lundine, upon being re-elected to a second term, formed the Labor-Management Committee, which consisted of 15 executives of local manufacturing companies and an equal number of labor leaders.

A main accomplishment of the committee has been the setting up of in-plant committees, which brought management and workers together. Suggestions for improving plant performance that came out of these in-plant meetings included better quality of work, better labor relations, job redesign and productivity incentives.

Following its first meeting in early 1972, the committee drew up a list of four goals: improvement of labor relations, manpower development, assistance to industrial development programs and productivity gains in existing industries.

During the three years the Labor-Management Committee has been in operation, a number of accomplishments have encouraged the participants. A local corporation, about to go bankrupt, was reorganized and negotiated a new labor contract with wages tied directly to productivity increases. For the first time in 50 years, Jamestown has attracted a new company: Cummins Engine Co. The skill upgrading program has produced 162 graduates from 15 companies. Productivity has increased in virtually every industry which has aggressively undertaken a new program. The unemployment rate is down to 4.2 percent.

Best of all, Jamestown has reversed its reputation as a bad labor town. In the three years since the committee was founded there have been only five miner strikes with a total time loss of 41 days. In the three previous years, there had been eight strikes with a total time loss of 302 days.

For a long time Mayor Lundine and the committee tried without success to obtain federal financial assistance. Finally, in 1973, Commerce's Economic Development Administration allocated a $22,500 grant which was matched by $7,500 in local funds. The National Commission on Productivity sponsored participation of a consultant from the Wharton School of the University of Pennsylvania.

More recently, Chautauqua County has established a $350,000 manpower program concentrated on the industrial skill needs in Jamestown and other areas of the county. The city of Jamestown has matched each federal grant and also appropriated revenue-sharing money toward the work of the Labor-Management Committee. And the EDA again approved a grant, amounting to $77,500, for the 1974 activities of the committee. The industrial firms participating in the program also contributed both time and money. Other groups assisting in the program are the Federal Mediation and Conciliation Service and the Cornell University School of Industrial and Labor Relations.

Steel industry takes an interest

Mutual concern of labor and management mounted as imported steel accounted for an ever larger share of the U.S. market during the late 1960s.

"Serious economic problems faced us," according to Bruce Thrasher, of the United Steelworkers of America. It became obvious that, for both of their best interests, labor and management would have to find some cooperative basis for improving the situation. This concern led to establishment of an industry-wide joint productivity committee in 1971, whose chief aims are reducing waste, decreasing delays and improving quality and morale. The program was renewed in 1974, extending the Employment Security and Plant Productivity Committee.

More than 230 plant committees are now meeting on a periodic basis. They deal with methods of improving productivity that do not infringe on the con-

INNOVATORS—*Rushton Mining Co. Pres. Warren H. Hinks, Jr. (center), Section Foreman Raymond Massini (l.) and UMW Mine Committee Member John Socoski (r.) are participating in an experimental program of autonomous work teams. They were panelists at a Washington, D.C., seminar designed as an exchange of ideas for improving productivity.*

tractual rights of company or employees. Those closest to problems on the shop floor have an opportunity for their suggestions to be considered through these committees. An educational campaign is also attemping to reduce absenteeism and improve motivation, product quality and safety.

Problems remain, however. "There is a constant problem of motivation," says Thrasher. "There is a great deal of misunderstanding of productivity's meaning and consequences, and in some cases, an outright refusal of local union leaders to even meet to discuss formation of a committee."

A case history

One such committee has been established at the Alan Wood Steel Co. of Conshohocken, Pa. After a rocky start, its experience appears fairly typical.

"With an expected expenditure of $13 to $15 million in pollution control equipment, it became obvious that the survival of the company depended on improving productivity," says John J. Hannigan, Alan Wood's vice president for operations. "However, for the first two years of the committee's operation, 1972-73, it was very unsuccessful."

"We found that one thing that seemed to be holding up the program was the worker's hostility to the word productivity. To them it meant more work and less jobs. In other words, our major problem was communication. We changed the committee name to 'Job Protection and Alan Wood Growth,' and gave some special training to supervisory union and company people.

"We don't expect the program to move very fast for a few more years, but we're beginning to see some pretty encouraging signs. Formerly, each foreman had purchased his own separate lubricating oil. A suggestion led to centralized purchasing of oil for the whole firm, and is saving an estimated $100,000 per year."

Steelworkers' local union president Donald Roop appoints 'natural leaders' from each shift, through whom union members submit their suggestions on how to implement the company's "work smarter, not harder" program. These workers are not the shop stewards, and are totally independent of the regular grievance procedure routine.

"We're starting to see some attitude changes," says Roop. "Once the membership realizes that productivity is job supporting, not job eliminating, they begin to respond."

Scanlon Plan provides for bonuses

The Dana Corp. is a worldwide manufacturer of automotive parts with more than 70 plants in the United States and abroad. Seven of these plants have instituted the Scanlon Plan, working together with the unions that represent the workers at these plants. One of these is located at Edgerton, Wisc.

SCANLON PLAN ADVOCATE—*Don Rand (standing) of the UAW told of advantages of the Scanlon bonus plan at productivity workshop. Other panelists were (2nd right) moderator Abraham Weiss and (right) Lee Hess, plant manager for the Dana Corp.*

According to Lee Hess, plant manager at Edgerton's Spicer Axle Division, use of the plan has eliminated time cards and encouraged 57 percent of the employees to own company stock through a stock purchase plan. The way the plan operates is that a base labor cost is set up as a percentage of sales. Savings above that base are a bonus divided 75 percent to the workers, 25 percent to the company. Workers participate by making suggestions that save the company money. They submit their suggestions to one of 16 plant committees, each consisting of a management representative and two elected employee representatives. Suggestions involving an expenditure of more than $200 are referred to a screening committee for further investigation.

Don Rand, of the United Automobile, Aerospace and Agricultural Implement Workers of America, pointed out that a bonus plan cannot be substituted for collective bargaining. It is instead a tool to achieve increased productivity.

Since the Scanlon Plan was instituted in March of 1973, bonuses have averaged 7.8 percent for the first six months, 13.2 percent for the next 12 months, and 22.8 percent for the next nine months. For the company's part, officials feel they are getting improved efficiency for the money. Attendance has greatly improved . . . absenteeism is down to 2 or 3 percent, and turnover is less than 1 percent.

At the conclusion of the trial period, employees voted to continue with the Scanlon Plan.

Rand sees as a major advantage of the Scanlon Plan the fact that the company must allow an audit of the bonus calculations. This provides an additional benefit to employees which most companies are hesitant to relinquish.

Commerce programs

The Department of Commerce has a long standing interest in productivity—the Secretary of Commerce is a member of the National Commission on Productivity and Work Quality and serves on its Executive Committee. The Department strives to promote better utilization of resources in American business and industry, and better public understanding of the role of productivity growth in the American economic system.

Among the specific Commerce programs which contribute to this goal, for example, are the demographic and industrial sector surveys developed by the Bureau of the Census. These are used extensively by both public and private organizations at all levels in drawing up plans for better resource utilization.

A recently initiated Commerce program involves seminars for business firms on The Measurement of Company Productivity. The half-day seminars will be conducted by selected Commerce district offices around the country, and will focus on conceptual and practical aspects of productivity measurement efforts and the benefits to be obtained from monitoring productivity performance.

The first productivity seminar was held in Pittsburgh June 26, and others will be scheduled at district offices in response to expressions of interest from the business community.

Global Credit, Collection, Exchange Issues Put Under FCIB Spotlight

The questions circled the world and ranged over such issues as draft collections by some major banks, the recommended limits to export credit lines, performance of the Foreign Credit Insurance Association, handling of foreign checks, transfer of funds from Europe, and collection situations in 21 specific countries.

The 150 businessmen and women in the audience at the Summit Hotel in New York had submitted them in advance to a panel that included credit specialists from the First National City Bank, Johnson & Johnson International, Prentice-Hall, Borden, Wyeth International Limited and the Foreign Credit Insurance Association, as well as Paul T. Haskell of the Foreign Credit Insurance Association and Abner Fein, of the Commerce Department's New York District Office.

The occasion was the monthly Round Table Conference of the Foreign Credit Interchange Bureau (FCIB). The result was an informative and candid sharing of recent experiences in the ever-changing arena of export finance.

For example, a question was put to the panel: "In selling to Portugal, what are current terms and experience on regular orders, please?"

READY FOR QUESTIONS—*Members of the June Round Table Conference panel plot their points of view before the give-and-take begins. From left, William E. McNeely, Assistant Cashier, First National City Bank; Heinz Dallendorfer, Assistant Director of Corporate Credit (Int'l), Borden, Inc.; Manuel S. Torres, Jr., Export Credit Manager, Johnson & Johnson International, and Lou L. Toll, Credit Manager, Wyeth International Limited.*

The chairman, reading the question, added one of his own: "How many are selling to Portugal?" A show of hands produced a total of 16. The chairman asked further: "How many of you who didn't put your hands up were selling to Portugal but are no longer selling there?" Two members raised hands.

The chairman then polled the FCIB members on sales terms to Portuguese accounts. Answers came by product and terms, concisely: "Surgical, 90 days open account. Pharmaceuticals to affiliated company, sight draft. Pharmaceuticals, affiliated company, 90 days open account. Abrasives, sight draft and letter of credit. Hardware, open account to 90 days. Aircraft products, letter of credit. Machinery, letter of credit." Two panel members then volunteered similar information.

The panel chairman, FCIA's Haskell, remarked that his credit insurers were at that time (early June) "willing and able to look at any application coming in for Portugal." So much for Portugal at that moment; new information undoubtedly would be added at the next meeting.

Optimism and caution

The questions leaped from country to country, usually centering on the volatile areas that inspire reports of crisis in the daily press. Sometimes the rejoinders from the credit specialists were more optimistic than the accounts of the journalists; often they paralleled them with strong cautionary advisories.

In his answers chairman Haskell referred to the experiences of the FCIA and Eximbank, the bankers and company executives drew on their own firms' records, another participant spoke of surveys he has taken, and Abner Fein quoted on-scene reports from U.S. Foreign Service officers that are available to the Commerce Department.

"The FCIB Round Table discussion covers current credit, collection and ex-

FINAL PROGRAM PREPARATION—*At the June Round Table Conference, J. Stewart Gillies (second from right) and Ira Mermer (right) of the Foreign Credit Interchange Bureau explain program details to (from left) Abner Fein, Deputy Director, Commerce Department's New York District Office, and Paul T. Haskell, Vice President, Foreign Credit Insurance Association. Haskell was the month's chairman of the Round Table Conference.*

change problems," summarized J. Stewart Gillies, "and represents a clearinghouse that we believe is invaluable to the international trader." Gillies is executive vice president of FCIB, which with its 837 members is the international arm of the larger National Association of Credit Management. NACM has more than 39,000 members.

"The discussion of the general questions which occupies a considerable part of each Round Table session is particularly valuable in developing new financial techniques that are necessitated by the many 'controls' now faced both at home and abroad," Gillies explained.

"We are always at the service of members on any unusual problems that may be encountered in the administration of international operations," added FCIB manager Ira Mermer.

Meeting procedures

Published minutes of the sessions make it possible for all members to participate by mail as well as in person. Members mail in their problems for study and solution by outstanding international financial experts, Gillies continued. Meetings of the Round Table are held monthly in New York City and frequently in other cities. Three meetings are held each year in Europe; in 1975, in Geneva, Brussels and Brighton, England; next year they will be held in Paris, Vienna and Dublin.

NACM was started in 1896 and provides a wide range of domestic credit services. FCIB-NACM Corp. was founded 56 years ago to provide U.S. exporters the same kinds of services that NACM does domestically. It operates with a board of directors and an advisory council, both elected each year from among its membership.

FCIB, which holds a Presidential "E" for Export Excellence award, is owned by its members, controlled by them and operated on a cost basis. It now serves members in more than 20 countries.

Commerce is there

Commerce's New York District Office has been represented on the Round Table panel for many years. Gillies commended the Department's contributions to the discussions and particularly those of Abner Fein, current representative.

The Round Table is only one of FCIB's services to its members. Others include credit interchange reports, free reciprocal reports, economic bulletins, worldwide collection service and consultation and market research.

Gillies called attention to the unusual cooperative nature of the Round Table operation, in which members get together to offer candid and useful information to their competitors. The credit and finance people may be unique in their exchange of "inside" information which other business circles would guard as trade secrets. The concept of the open exchange "is something we have sold in Europe where it had never been done before," Gillies concluded.

INTERNATIONAL FLAVOR—*The Foreign Credit Interchange Bureau has members in 20 countries and meets in Europe three times each year. Here Leslie John Garrard, Export Credit Controller, Imperial Chemical Industries, Inc., London (right), confers with Gillies.*

Already A Key Economic Force, Fishing Industry Gets U.S. Boost

The U.S. fishing industry's 1973 fish catch valued at $907 million at dockside had a far larger overall impact on the American economy, and several Commerce agencies are sponsoring programs to increase the industry's economic role still further.

A study prepared for the National Marine Fisheries Service (NMFS) of Commerce's National Oceanic and Atmospheric Administration (NOAA) found that the commercial fishing industry had a cumulative impact on the U.S. economy of as much as $6.7 billion, or more than seven times the value of its total catch.

The study of the economic contribution of the industry, conducted under contract by a private consulting firm, was the first of its kind.

The cumulative economic impact on the economy, NMFS spokesmen said, comes from the total of wages, earnings, and employment generated by commercial fish catching, processing, wholesale and retail trade, transportation, and related industries. Thus, the $907 million catch of 1973 was the base for the estimated $6.7 billion in associated commercial activity involving almost 500,000 man-years of employment.

Imports on the increase

The study, prepared by Centaur Management Consultants of Washington, D.C., also examined the position of the U.S. fishery in relation to imports of foreign fisheries products, which have been steadily increasing in recent years. It estimated that if imports from foreign nations were replaced by domestic production, the additional economic impact might approach $3 billion, with an increase of 200,000 man-years in employment.

The National Fisheries Plan now under development by the Fisheries Service is a comprehensive effort to set out goals for the enhancement of U.S. fisheries, and rehabilitation as necessary, over the next ten years.

Planning to date has involved the individual states, the commercial fishing industry, recreational fishermen and their organizations, and consultants from universities and professional fields. The plan takes into account the possible extension of U.S. jurisdiction over fisheries to 200 miles at sea.

However, if present trends continue, another report indicates that the U.S. fisheries industry will grow only slightly in the next ten years despite a rising demand for seafood products. Moreover, the increasing demand will be supplied chiefly by imports of fishing products from foreign sources unless the U.S. industry can lift its production to meet future demand.

Such prospects are contained in an economic forecast prepared by Synergy Inc., of Washington, D.C., and are also being analyzed by NMFS for inclusion in its National Fisheries Plan.

The Synergy report is a baseline economic forecast that projects historic trends and traditional practices in U.S. fisheries to show the conditions to be expected by 1985 if no changes or improvements are made. The study took no account of possibilities of expansion to be explored in the coming National Fisheries Plan or of the results of possible extension of U.S. jurisdiction to waters up to 200 miles from the coast, mentioned above.

According to the study, total U.S. consumption of seafoods is expected to rise from 7 billion pounds round weight in 1973 to 9.3 billion pounds by 1985. Unless U.S. industry makes up the difference, the increase will have to be made up by imports, which have more than doubled in the last ten years.

If present trends are not changed, the value of imports of edible seafood products, which rose from $540 million to $1.48 billion between 1967 and 1974, will advance to $2.08 billion in 1974 dollars by 1985.

The NMFS points out that planners also must anticipate the skyrocketing growth of marine recreational angling, which could double in the next decade.

However, while these reports are being studied, several Commerce agencies are already taking steps to improve the competitive position of the U.S. commercial fishing industry.

A large, succulent crustacean from Malaysia could join shrimp and lobster in popularity with America's seafood consumers, if the efforts of a team of Sea Grant scientists are successful. Specialists at several South Carolina institutions are working to develop successful techniques for cultivating the giant Malaysian prawn — *Macrobrachium rosenbergii* — in captivity. Sea Grant programs are supported by Commerce's NOAA.

In appearance, size, and flavor, the Malaysian prawn lies somewhere on a scale between the shrimp and spiny lobster. Most important of all to the prospective grower, the prawn is known to reproduce and prosper in captivity.

Cultivating prawns

Last spring and summer, the scientists stocked five outdoor freshwater ponds with about 25,000 laboratory-reared prawns. When the ponds were harvested three to five months later, 60 to 70 percent of the prawns had survived and grown substantially. The largest prawns harvested weighed more than an ounce.

One pond, stocked with very small juveniles weighing about one-hundredth of an ounce, yielded the equivalent of nearly 600 pounds of prawns per acre after only four months. The pond stocked with the largest prawns—averaging one-tenth of an ounce in weight—produced a yield equivalent of 1400 pounds per acre after five months.

Artificial culture of creatures of the sea requires development of complex, interdependent systems and techniques—tanks, circulating water systems, special diets, and methods of hatching and raising larvae to the adult stage. Pilot-scale commercial aquaculture of the species in the United States began in Hawaii and is now under way at several other locations.

If appropriate culture techniques can be perfected and adopted by industry, prawn-growing would provide a new source of income for local residents and a significant new source of high-quality protein.

Another recent NMFS economic study indicates that a viable squid fishery off the New England coast could add over $600,000 a year to the economy of the region.

The Fisheries Service conducted the study for the New England Fisheries De-

velopment Program, which is a government-industry cooperative effort aimed at developing a market for species of marine life found in the area which are underused by Americans.

Approximately 70 million pounds of squid were taken from the waters off the coast of the northeast United States in 1973. The United States has a quota of approximately 12 million pounds in the northeast area. However, only about three and one-half million pounds were harvested by U.S. vessels in 1973.

The majority of squid landed by U.S. fishermen in the northeastern United States is caught incidentally while trawling for cod, flounder and haddock and is used for food and bait.

During four trips to test the feasibility of a directed squid fishery, a charter boat making 218 tows caught more than 169,000 pounds of squid and 14,000 pounds of finfish for a total value of almost $30,000. The study concludes that the quota, if taken, could supplement the earnings of about 30 vessels in a seasonal squid fishery.

Profitable chums

Reviving the state's chum salmon fishery may create a new, clean industry for Oregon.

Once the basis for an active industry, the chum salmon fishery was crippled by extensive exploitation and spoiled spawning grounds. But a new hatchery design—developed with support from Commerce's National Oceanic and Atmospheric Administration—may change all that. Chum runs in Whiskey Creek near Tillamook increased from about 400 in 1969 to 3,000 in 1974. The seven-fold increase, due primarily to the new hatchery system, has led to predictions of a multimillion-dollar chum salmon industry.

Development of the state's chum salmon fishery began when Sea Grant researchers at the Netarts Bay Fisheries Culture Station on Whiskey Creek found a substitute for natural spawning grounds: a gravel incubator. Inexpensive to build, the incubator consists of nylon mesh to hold the eggs and a gravel bed where new fry rest and develop. More than three million chum salmon have been hatched in gravel incubators and released into Whiskey Creek.

Hatching and releasing chum fry is only half the battle, however. On their way out to sea, they must swim past coastal trout which feed on chum fry. Of the fry that get past predators, only about one percent survive in the ocean and return to their spawning grounds as three- or four-year-old adults.

The researchers waited until 1974—after 3,000 three- and four-year-old adults returned to the hatchery—before declaring the first release of chums successful.

Because of this success—and the Oregon Legislature—there may be a new chum salmon industry in Oregon. In 1971, the Legislature enacted laws permitting private operation of chum salmon hatcheries. Today there are four private hatchery operations and more than 15 others have applied for licenses.

If production continues at the same rate as at the Netarts pilot hatchery, private chum hatcheries in Oregon can expect returns of two to three million pounds of fish annually by 1980.

Predictions are especially promising in dollars and cents. Chum salmon can be sold for from 25 cents to $1 per pound, depending on quality and market conditions. And the price of chum salmon should stay low because the cost of operating a chum hatchery is low. Gravel incubators are not expensive and young chum fry do not need to be fed before they are released.

Meanwhile, in the neighboring state of Washington, the salmon industry's immediate outlook is not too bright. But Commerce is weighing in with substantial help.

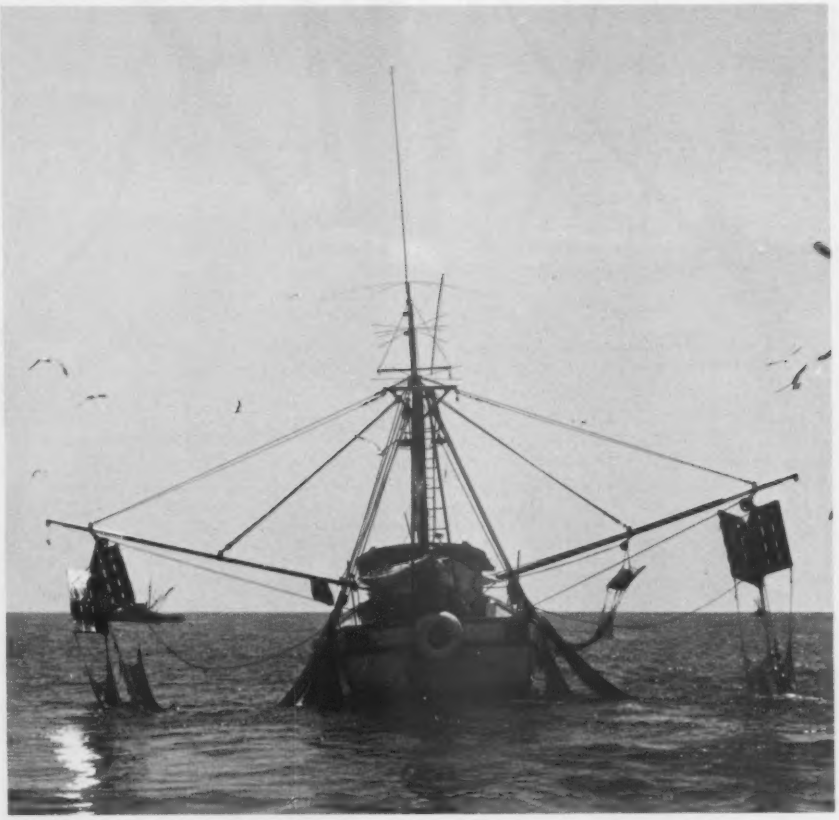
Secretary of Commerce Rogers C.B. Morton recently announced approval of a $3.5 million grant to help Washington conduct an economic adjustment program for commercial salmon fishermen.

Declining salmon runs coupled with a court decision on fishing rights threaten the solvency of some 300 boat owners and the jobs of more than 500 fishermen, according to the Office of Washington Governor Daniel E. Evans.

The funds for the economic adjustment program are being provided by the Commerce Department's Economic Development Administration "to help solve unemployment problems before they become deep-rooted," Morton said, "thereby easing the financial losses and related costs to individuals and their home communities."

The economic adjustment assistance

THE CHUM SALMON—*A new hatchery design may revive the chum and create a new, much-needed industry for Oregon.*



LATEST MARKET NEWS FOR FISHERMEN—*Commerce's Fishery Market News Reports publish data on prices, landings, imports and movements of fishery products. The information is gathered daily, and published in five regional editions. For example, the New Orleans edition reports Gulf shrimp information of possible interest to this Galveston shrimp fisherman.*

VALUE TIMES SEVEN—*A study prepared for Commerce indicates that the U.S. fishing industry, which valued its 1973 catch at $907 million at dockside, had a cumulative impact on the U.S. economy of $6.7 billion, including jobs in processing, transportation and sales.*

for the salmon fishermen will include:

—A gear-reduction program through which the state will purchase excess boats, gear, licenses and permits.

—A revolving loan fund to help remaining fishermen become more productive.

—A retraining program for those facing permanent or long-term displacement from the fishing industry.

Sending salmon south

Somewhat further afield—in the Antarctic to be exact—Commerce specialists are also planning great things for the chum salmon. Scientists from the National Oceanic and Atmospheric Administration believe that if Arctic stocks of chum salmon were transplanted to the seas surrounding Antarctica a new and easily harvested food resource could be introduced.

NMFS scientists suggest that Arctic stocks of chum salmon could readily adapt to the ocean environment of the Antarctic and thrive on krill—a small shrimp-like creature that feeds on single-cell marine plants growing in abundance in the cold but tremendously fertile waters at the bottom of the world.

Previously, the principal consumers of krill were baleen whales, but intensive whaling has reduced their numbers to the extent that some species are now on the U.S. endangered species list.

The scientists believe that if the salmon were introduced into the West Wind Drift, a globe-girdling current in the southern ocean, they should have little difficulty finding krill. Hatcheries consisting of low-cost gravel incubators similar to the Oregon type mentioned earlier could be built near the mouths of streams and stocked with eggs of Arctic chum salmon flown in by air.

Previous experiences with mass transplants of salmon have shown that the initial transplanting effort should involve millions of eggs to overcome the difficulties of adapting to a new environment. Generating a significant salmon fishery in the Southern Hemisphere would probably require a cooperative international effort. The United States and the Soviet Union might supply the eggs, means of transport, and hatchery technology. Argentina, Chile, Great Britain, and France could control the most appropriate land bases for the construction of hatcheries.

The easiest way to harvest the salmon would be with Alaska-type floating salmon traps that capture the salmon alive as they return to the hatchery streams. The scientists believe that an international agreement to prevent high-seas fishing of the new stock would be necessary to prevent interference with the efficient low energy cost method of harvesting from inshore fish traps. Since there is no existing salmon fishery in the Southern Hemisphere, and there are consequently no entrenched precedents for high-seas harvesting, it should not be difficult to achieve such an agreement in advance of any effort to build a significant population of salmon in Antarctic waters.

If successful, it could add a highly nutritious, easily harvested food resource to a hemisphere in need of better and cheaper nutrition. The exercise in international cooperation that would be generated by such an effort also might point the way toward further cooperation in developing a rational system for managing ocean resources.

Growing seagrasses

In another effort to increase fish catches through providing an improved habitat, a University of Miami Sea Grant scientist, using a new seeding technique, has restored vegetation on a bay bottom denuded by heated water and silt from a power plant.

Since the release of these effluents into Biscayne Bay ended, Dr. Anitra Thorhaug has succeeded in growing *Thalassium testudinum*—commonly called turtle grass because it is a favorite food of sea turtles—on the bay's bare floor.

Her research is supported by the National Oceanic and Atmospheric Administration's Office of Sea Grant.

"Where turtle grass is, the fish are," Dr. Thorhaug says. "It provides food and protection for sport and commercial fishes during various stages of their life cycles."

A vital part of bay ecosystems, seagrasses have been destroyed in many areas by dredging, siltation, and pollution. Earlier attempts to restore turtle grass, by cutting sprigs of *Thalassia* and planting them in new areas, met with limited success. And, if this technique were carried out on a large scale, it would damage the beds from which the sprigs were cut.

Dr. Thorhaug had a new idea: Why not plant turtle grass seeds? So she took a diving crew to the Bahamas where they harvested 8,000 *Thalassia* fruits. Back at the University of Miami's Rosenstiel School of Marine Science, the crew separated 20,000 seeds from the fruits. Then the seeds were planted by divers.

The seeds sprouted roots almost immediately after being planted, and grew rapidly. Nine months after the diving crew had jabbed them into the bay floor,

only 31 percent of the plants were dead, dormant, or missing.

Dr. Thorhaug estimates that her seeding technique can restore seagrasses 10 to 12 times faster than natural processes. It could hasten the comeback of vegetation in underwater lands blighted by dredging, siltation, chemicals, or sewage, and could be used to grow seagrasses on underwater banks or canal sides.

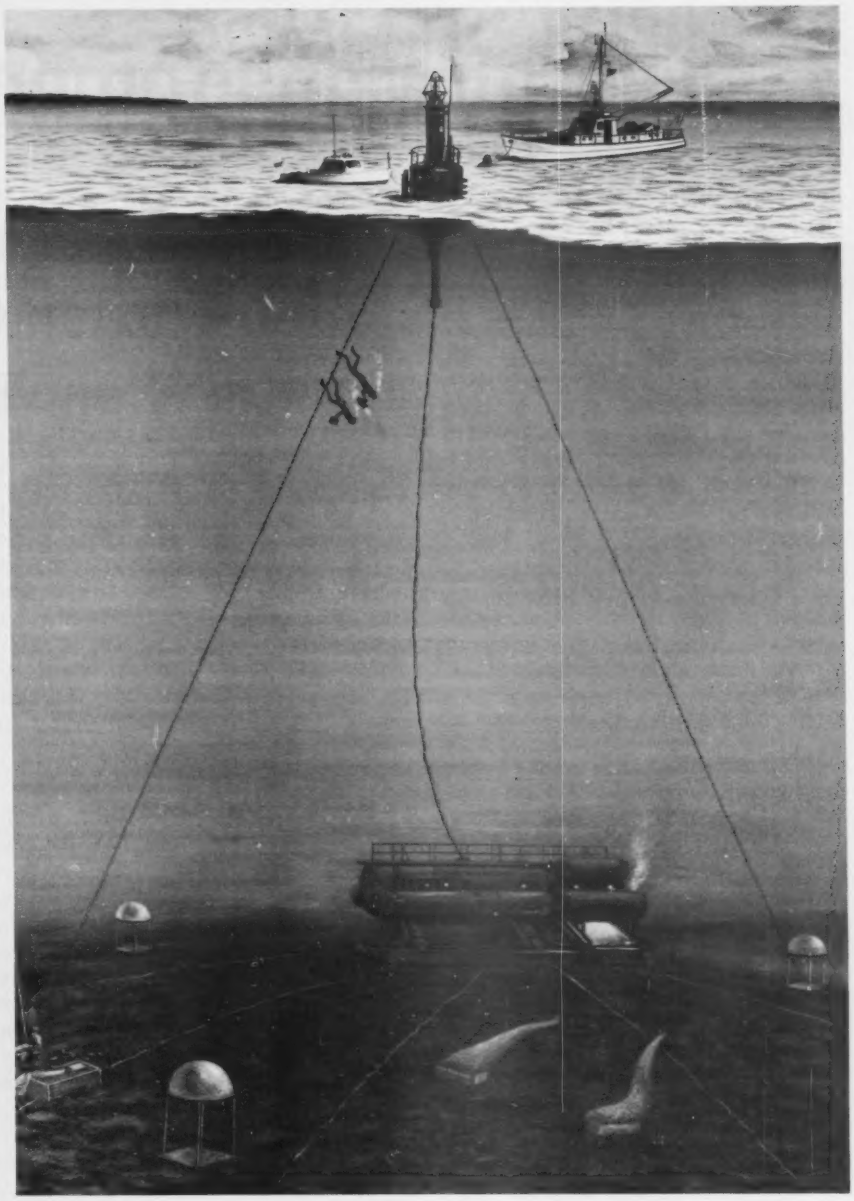
Underwater laboratory

The international approach advocated above is already being employed in a scientific investigation of problems besetting New England fisheries which will begin September 15 off Rockport, Massachusetts. The project is designed to learn how environmental factors affect herring spawning, improve hydroacoustic techniques for estimating the populations of major commercial pelagic fish species, and extend knowledge of underwater living and research from warm tropical seas to cold northern waters.

The project, which will continue for two months, will be carried out by NOAA, using the underwater laboratory *Helgoland* from the Federal Republic of Germany. German, Polish, and Russian scientists, technicians, and fisheries experts will participate with NOAA and university diver-scientists. Teams of diver-scientists will live in the 75-ton, two room underwater laboratory for periods of nine to 22 days to carry out the research.

Results of the study are expected to be of use to a wide variety of people and organizations. The International Commission on Northwest Atlantic Fisheries (ICNAF) requires better data for establishing catch quotas for fisheries in the area, many species of which have been declining in recent years. Commercial fishermen and fish processors can use better information on fish populations for planning future operations.

The *Helgoland* will be transported to the U.S. by a Polish factory ship and placed in about 110 feet of water at the site of the known herring spawning area in late August.



UNDERWATER LABORATORY—*The* Helgoland, *from the Federal Republic of Germany, will be home for periods of up to three weeks for teams of international diver-scientists investigating environmental effects on fish populations off New England.*

A further aid to the U.S. fishing industry, NMFS's series of regional Fishery Market News Reports, is now available on a subscription basis.

The reports publish data on current wholesale market prices, exvessel prices, landings, imports, and movements of fishery products both in the United States and abroad. The data are gathered daily by the Commerce Department agency, through telephone and personal contact with key fishing ports and markets for fishery products.

Five different regional reports are published in five different cities: Boston, New York, New Orleans, Terminal Island, Calif., and Seattle, on Monday, Wednesday, and Friday. In addition to the daily information, a weekly summary for each city is published on Friday.

The New York report specializes in wholesale prices for fresh and frozen fishery products traded in New York merchandising centers. The Boston report carries the Boston fish auction prices, the New Bedford auction prices, exvessel prices, and the Terminal Island report ports, Chicago market receipts, and frozen wholesale prices for the New England and Chicago areas. The New Orleans report carries Gulf shrimp landing and exvessel prices and the Terminal Island report specializes in data pertaining to the tuna industry. The Seattle report contains information on the halibut, salmon, groundfish, king crab and shrimp fisheries in the northwestern United States as well as Alaska. The Seattle report also publishes data on British Columbia fisheries.

Annual subscription rates for three reports per week plus the weekly summary is $35 per report (i.e., Boston, New York, New Orleans, Terminal Island, or Seattle). The weekly summaries are available for $15 per year per report.

Make checks or money orders payable to the Department of Commerce, NOAA. Mail to: National Marine Fisheries Services, F2x1, Room 404, Page Bldg. 2, Washington, D.C. 20235.

Energy Management Digest

READIN', WRITIN', AND CONSERVIN'...Many of the nation's 95,000 public schools, as well as other non-profit institutions, may benefit from an energy-efficiency audit and analysis now being conducted in five Midwest states for the Federal Energy Administration by Minnesota's Energy Agency. FEA has awarded $121,000 to the state agency for energy audits in about 60 elementary, junior and senior high schools in Michigan, Illinois, Wisconsin, Ohio, and Indiana. Power and gas utilities in each state are providing building energy analysts to do the audits at no cost to the schools. Roger W. Sant, FEA's Assistant Administrator for Conservation & Environment, estimated that schools could save between 10 and 20 percent of their present operating costs by plugging up gaps in the efficient use of energy. "That," Sant said, "could amount to anywhere from $100 to $10,000 per school."

SAFETY MEASURE...Philadelphia Electric Co. has reduced power and coolant flow at Unit 3 of the Peach Bottom Nuclear Power Station in York County, Pa., to no more than 50 percent of authorized limits following indications of possible vibration of instrument tubes within the reactor. On April 26 Nebraska Public Power District reduced power and flow at its Cooper Station nuclear plant to no more than 50 percent after indications of possible vibration. On May 17 Iowa Electric Light and Power Co. made a similar reduction in its Duane Arnold plant. General Electric Company, manufacturer of the reactors, first brought the matter to the attention of the Nuclear Regulatory Commission after a similar problem appeared in a foreign reactor.

DIRECT CONVERSION...A University of Illinois research team working under an ERDA grant reports an advance in powering gas lasers with neutrons from a small reactor. While most gas laser beams are produced from a stimulus of electricity, this experimental laser used neutrons from a small TRIGA nuclear research reactor. By directly converting the reactor energy to energy stored in the atoms of the laser medium, light can be produced without intermediate production of electricity, the more conventional present-day method.

SERVICE FOR SCHOOL DISTRICTS...FEA is funding a Public Energy Conservation Service to evaluate energy use in U.S. schools. The service matches building types with ideal energy systems. Efficiency recommendations are made to school districts on the basis of detailed questionnaires. The Service also offers plans for capital improvements on existing school buildings. The program is managed by FEA's Office of Buildings Policy Research.

BLOWING ON THE LAKE...An experimental wind turbine generator will begin operating in July on the shores of Lake Erie near Cleveland. The U.S. Energy Research and Development Administration unit will provide 100 kilowatts of electricity in an 18-m.p.h. wind, enough to power one thousand 100-watt light bulbs. Since winds vary more at ground level, a reliable powerplant of this type must have height. The Lake Erie facility is 162 feet high and has a 125-foot blade. Following initial demonstration projects, planners envision a series of giant metal wind turbines boosting electricity output available to consumers. Other units might be used to produce hydrogen fuel or ammonia for fertilizers.

EXCHANGE WITH ITALY...The U.S. Nuclear Regulatory Commission has arranged with Italy for the reciprocal exchange of technical data on nuclear regulatory and related safety research matters. The agreement also calls for cooperation in developing nuclear safety standards. The two countries will exchange information on nuclear power plant licensing actions, operating experience, and reactor safety research. Other technical information on nuclear power plant safety and environmental impact considerations will also be exchanged. Similar agreements have been signed over the past year with France, Japan, Spain, Sweden, Switzerland and the United Kingdom.

GAMESMANSHIP...The University of Wisconsin has come up with an energy game about household energy use. Played on a grid, each square represents a portion of the average home's energy budget. The player pits his energy use against the national average. Limited free copies are available from Sea Grant, 1800 University Ave., Madison, Wis. 53706.

ENERGY CREDITS?...Susquehanna University in Selinsgrove, Pa., recently completed its first energy lecture series. Interdisciplinary speakers were drawn from the faculty. During the 1960s, lecture series on the environment often led to credit-courses. Perhaps this same cycle is recurring, with an energy theme.

False Sense Of Security On Part Of General Public Hampers Hurricane Warnings

"Will there be another Galveston? This is a question that is being asked now by hurricane experts who are deeply concerned by the tremendous number of mobile homes and potentially unsafe structures that are appearing along the Atlantic and Gulf Coasts, much of it close to the water's edge."

This was the lead paragraph in an article in *Commerce Today* at the start of the hurricane season one year ago. The Galveston of 1974 struck Honduras, not the United States, killing several thousand people, according to the best available estimates. But at the start of the 1975 hurricane season, is the situation better or worse for this country? This question is answered by Dr. Neil L. Frank, Director of the National Hurricane Center at Miami:

"The story hasn't changed. It is the same, only more so. Our message is the same, which is to try to impress upon people what could happen to them if they chance to be in the core of a major hurricane. And this situation may very well continue until another major hurricane zeroes in on a populous and vulnerable U.S. coastal area."

In the last year, people have continued to build coastside homes on islands and in other vulnerable places. They have continued to anchor mobile homes near or not far from the water's edge in places where it would be difficult, if not impossible, to evacuate them in a hurry—and a big hurricance often does not allow people many hours in which to get out. People often build only a few feet above the water level, oblivious of the fact that major hurricanes sometimes drive storm surges of 20 feet or more against the coastline.

"Do you have a hurricane problem?" people are sometimes asked. "Oh, no, we don't have a hurricane problem," they respond. And, of course, they don't, Dr. Frank points out, until it happens. But there are some people along the coasts who don't have to be told. They know. Such as the older inhabitants of the Mississippi Gulf Coast, where Camille struck in 1969, killing more than 300 persons.

The suggestion has been made that teams of these people who have experienced major hurricanes should be organized to visit the millions of hurricane innocents along coastal areas and tell them first-hand what the worst storms can do.

Meanwhile, Commerce's National Weather Service has launched its annual drive to educate U.S. coastal residents about the danger of hurricanes, which are the most destructive storms on earth. The system consists of satellites, long-range aircraft, and coastal radars, bolstered by computer-supported forecasts of hurricane path and strength. By this means, the Service will try to give at least 12 daylight hours of warning before a coastal area is hit. That is the best that can be hoped for under present conditions.

Dr. Frank explains that, while the United States has not had a major killer hurricane since Camille in 1969, "the threat of a devastating series like those we had along the East Coast in the 1950s is constantly present."

"Much as we would like to," he says, "there is no way we can predict in advance whether or not the coming season will be relatively quiet, like the past few years, or incredibly destructive, like 1954 and 1955, when major hurricanes sourged the Atlantic Seaboard in rapid succession.

"So our message to community leaders in hurricane-vulnerable areas is: 'Be ready. Think now what you would do if your city were about to be hit by a major hurricane. Conduct drills. See that your communication systems are in order, and that there is a back-up communications plan in case one mode fails. Know where the high ground is on which your citizens could ride out a hurricane safely, and how to get there by several different routes. In places where evacuation routes might become jammed, think about vertical evacuation of some people—perhaps in sturdy, multi-story buildings. Encourage local newspapers, radio and TV to publicize the plans so everyone learns about them, and everyone knows where to seek refuge'."

In recent decades the work of the Weather Service, in cooperation with local officials, doubtless has helped to reduce hurricane deaths, nine out of ten of which are historically due to drowning.

Mobile homes, Dr. Frank comments, are a fine way of life, particularly for elderly retired persons. But no person, he warns, should try to ride out a hurricane in a mobile home, no matter how well tied down it is. If not engulfed by a storm surge, he says, it would be a target of flying debris which high winds could drive through it like bullets.

One difficulty, Dr. Frank points out, is the vast number of people who flock to various beach resorts on week-ends. For example, there may be 500,000 people on Cape Cod on a week-end, some of them driving campers down the beach. Thus, if a hurricane should strike the area, it is to be hoped it does not do so on a summer week-end. Another factor is that in the northern areas hurricanes appear to move faster due to the stronger steering currents in that region. The 1938 hurricane that struck New England, killing 600 persons, traveled at 60 miles an hour and allowed coastal residents only about six hours to get out. Dr. Frank believes at least a 12 to 15 hour warning time is needed.

The widespread public indifference to hurricanes, he says, is due to the fact that new generations grow up who have never seen a major hurricane or, if exposed, have been only on the fringe of one. He suggests that one way to attack the problem would be to have a course on natural disasters in secondary schools so that the kids would learn about the killer storms. "The kids would be sure to tell Mom and Dad," he says, "and that would help."

New Grants Aid Minority Firms In Five States

Commerce's Office of Minority Business Enterprise has awarded several contracts to provide assistance to minority businesses in Philadelphia, Mississippi, California, Georgia and Texas.

Renewal of a contract with the Philadelphia Urban Coalition, in the amount of $1.12 million, will pay administrative costs of operating three non-profit organizations serving the minority business community. The organizations provide such

services as: reviewing business plans, preparing feasibility studies, assisting in putting together financial packages for venture or expansion capital, technical and management counsel, helping minority construction contractors locate opportunities and bid effectively, and providing a pool of successful local businessmen who will advise minority entrepreneurs.

The Prairie Minority Development Association of Columbus, Miss., has been awarded a $107,482 grant to provide business support service to minority firms. The association will function as an OMBE local business development organization, providing such services as business plan review, financial plan preparation, feasibility and marketing counseling, and ongoing management and technical assistance.

Aid to cooperatives

The California contract, in the amount of $98,150, has been awarded to the Central Coast Counties Development Corp., to identify marketing systems for agricultural businesses and cooperatives composed of low-income and minority farmers. CCDC will select 12 other cooperatives and five sponsoring agencies and apply its methodology for rural economic development and technical assistance to these operations. It will demonstrate how to use supportive services from universities, the private sector and appropriate levels of government, and devise an education/training curriculum to enable minority farmers to manage their own business operations.

Members of minority groups seeking to start new businesses or expand existing ones in a nine-county area of western Georgia can now get assistance under terms of a $95,239 contract awarded to the Talbotton Business Development Office. The Talbotton organization will provide similar services to those being offered by the contractor in Mississippi.

Construction firms helped

Minority construction contractors in three Texas counties will benefit from a $60,000 contract to Contractors Industrial Education Assistance, Inc., located in Brownsville. It will provide services to minority construction firms in the counties of Cameron, Willacy and Hidalgo. In addition to helping the firms seek out construction opportunities, the organization will assist them in bidding estimates and follow-through, and help them meet bonding and insurance requirements. The organization will also advise minority construction firms of opportunities for them to combine their resources in order to bid on the bigger, and most profitable, jobs.

OMBE funds approximately 300 business assistance organizations nationally to assist and promote minority enterprises and ventures.

New Classification Of Work Vessels Will Assist In Increasing Exports

Although America's major shipbuilding industry has not exported any new ships for a number of years, builders of work vessels—those under 1,000 gross tons—are contributing increasingly to the nation's trade balance.

As the term "work vessel" implies, these are vessels that are employed commercially to perform numerous tasks afloat. Some of these tasks, such as law enforcement, navigable channel maintenance, port security vigilance, search and rescue operations, pilotage service, harbor maintenance and garbage disposal, are performed by government agencies. Others, such as towing and support to offshore oil and mining exploration and exploitation activities, are performed by private concerns.

Under 1,000 gross tons

Work vessel building is distinctly separate from major shipbuilding. Its activities are limited to work craft smaller than 1,000 gross tons, whereas major shipbuilding devotes its efforts to ocean-going tankers, trailer and containerships, and breakbulk and dry bulk cargo carriers of more than 8,000 gross tons.

Major U.S. shipbuilders do not contemplate exporting anything in the near future other than offshore drilling platforms. Work vessel builders, as the accompanying tables show, are very active in the export field.

Developing countries throughout the world are striving to improve their port facilities to assist in their economic growth. Every week notices appear of such projects by countries in Central and South America, Africa, the Mid-East and the Far East. Usually, port expansion goes hand in hand with the demand for work vessels such as dredges, dredge tenders, tugs, barges of all types, pilot boats, fireboats, passenger ferries and patrol boats.

These same countries are keenly aware of the need to increase seafood production. This creates a demand for fishing vessels of all types. Recent reports from American embassies and consulates abroad bring news that demand for U.S.-built fishing boats is increasing. South Korea's huge fishing industry continues to grow. In spite of their ability to build fishing boats less expensively, the Koreans continue to buy U.S.-built trawlers. Japan, the leading fishing nation in the world, buys boats built in Texas, Louisiana and Alabama.

Today, these traditional fishermen find themselves in the company of such relative newcomers as Sudan, now in the process of establishing a commercial fishing operation in the White Nile, and looking to this country to supply the boats it will use.

Until this year, accurate statistical information of value to economists for market studies and projected demand of work boats abroad was not available. The Schedule B Commodity Description Code, published by the Bureau of the Census, had become obsolete. Classifications in various cases combined pleasure and work boats as well as used passenger ships along with used tugs, barges, trawlers and pleasure boats.

Meetings between the commodity specialist and Bureau of the Census personnel during late 1973 and 1974 resulted in the modification of the Schedule B classifications to the degree that they have become more usable. The old and new systems of reporting exports can be compared in Tables 1 and 2.

Use of the present classifications will determine whether further adjustment

TABLE 1

Old Schedule B Classification System 1974 Exports

(First Four Months)

Type of Vessel	Sched. B Number		January	February	March	April	Total
Barges	735.5005	Number	.....	2	1	.....	3
		Value	.....	180,000	150,000	.....	330,000
Tugs & Towboats	735.5055	Number	1	.....	1	.....	2
		Value	62,000	.....	125,000	.....	187,000
Dredges	735.5060	Number	.....	.....	2	2	4
		Value	.....	.....	1,131,062	1,380,719	2,511,781
*Unidentifiable	735.5010/ 30/65/75	Number	54	58	55	121	288
		Value	36,428,783	9,845,603	28,649,967	26,379,371	101,303,724
Totals		Number	55	60	59	123	297
		Value	36,490,783	10,025,603	30,056,029	27,760,090	104,332,505

* Under this category will be found: Ships, except self-propelled, new; Passenger ships, self-propelled, new; Tankers, self-propelled, new; Ships, nec., self-propelled, new; Special purpose vessels, nec., new; Ships and boats, converted or rebuilt, used.

may be necessary. If the industry requests more precise reporting for a given type of vessel, and can justify its inclusion by providing proof of its importance, the requested adjustment can be made, if warranted.

Use of the new classifications will provide statistical data that will be useful to American builders to determine such matters as demand by country for the various types of vessels exported. It will also help determine buying trends by world areas and provide the Federal Government with more accurate information as to industry growth and contribution to the GNP.

Commerce provides assistance

The U.S. Department of Commerce, as part of its assistance to American industry's export efforts, extends its services to U.S. work vessel builders. Advice on export financing offered by the Export-Import Bank, the Inter-American Development Bank and the International Bank for Reconstruction and Development may be arranged through Commerce. The Foreign Credit Insurance Association, at Commerce's request, will supply information concerning protection to the exporter against commercial as well as political risk connected with the importing country at very reasonable premium rates.

Commerce offers numerous other services to export-oriented workboat builders: Foreign market studies, prepared by U.S. foreign service personnel stationed abroad, may be contracted for a nominal fee. Information pertaining to trade opportunities and foreign government tenders is disseminated free to builders. U.S. businessmen traveling abroad may take advantage of assistance of a commercial nature offered free by economic and commercial attaches at American embassies and consulates.

Additional services are offered through the network of Commerce District Offices that cover the 50 states and Puerto Rico. International and domestic trade specialists are assigned to these offices to render service to any firm requesting it.

On the domestic side, builders and their prospective clients may find additional assistance through Commerce's Maritime Administration. By extending the Federal Ship Financing Program to provide Title XI Mortgage Guarantee to certain vessels of more than five net tons to be operated in U.S. territorial waters, a greater number of prospective buyers may avail themselves of more liberal credit conditions than those offered through normal financing.

Although not excluded from Title XI qualification, towboats, barges, scows, lighters, carfloats, canal boats or tank vessels must be of more than 25 gross tons to qualify.

Commercial fishing vessels will also qualify for this program, under which the maximum guarantee period may extend up to 25 years from the date of delivery of the vessel.

With proper orientation and protection, even a first-time exporter can be confident that his margin of risk is minimal.

For details, write: George R. Delgado, Commodity Industry Specialist, Shipbuilding and Boatbuilding, Bureau of Domestic Commerce, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-3294 or 3295.

TABLE II

New Schedule B Classification System 1975 Exports

(First Four Months)

Type of Vessel	Sched. B Number		January	February	March	April	Total
Barges, Scows, Lighters	735.5022	Number	6	.....	.....	13	19
		Value	291,504	.....	.....	695,196	986,700
Cargo Vessels, Used, Converted or Rebuilt	735.5026	Number	1	9	1	.....	11
		Value	293,001	2,658,500	37,350	.....	2,988,851
Commercial Fishing Vessels, Used	735.5034	Number	.....	.....	.....	2	2
		Value	.....	.....	.....	200,000	200,000
Fire, Patrol, Pilot Boats, New	735.5042	Number	.....	.....	.....	1	1
		Value	.....	.....	.....	150,000	150,000
Supply, Survey Vessels	735.5043	Number	2	1	3	2	8
		Value	25,712	500,000	1,016,070	950,000	2,491,782
Vessels, nec., New	735.5052	Number	1	24	60	48	133
		Value	319,595	1,163,382	5,697,485	564,817	7,745,279
Vessels, nec., Used	735.5054	Number	37	14	27	10	88
		Value	528,940	396,336	4,296,425	1,295,037	6,516,738
Tugs, Towboats, New	735.5055	Number	3	7	2	.....	12
		Value	215,512	4,646,000	5,800,000	.....	10,661,512
Tugs, Towboats, Used	735.5057	Number	.....	13	10	1	24
		Value	.....	1,937,750	40,000	42,000	2,019,750
Dredges	735.5060	Number	5	1	7	1	14
		Value	2,936,750	95,041	8,314,330	678,717	12,024,838
Totals		Number	55	69	110	78	312
		Value	4,611,014	11,397,009	25,201,660	4,575,767	45,785,450

Weather Modification Reports Compiled In New Publication

Community associations sponsored 24 activities in attempts to increase rainfall or decrease hail, last year. Airlines and airports, concerned mainly with fog dispersal, sponsored nine weather modification activities. Other sponsors included the Federal Government, municipal districts, states, power companies, the private sector, cities, counties, and universities.

This and other information on 74 weather modification projects carried out in 1974 has been published by Commerce's National Oceanic and Atmospheric Administration.

The publication, *Weather Modification Activity Reports, Calendar Year 1974*, comes as a result of federal regulations requesting all nonfederally-sponsored weather modification activities in the United States to be reported to the Secretary of Commerce. Federal agencies report activities in this field through interagency agreement.

Last year, the reporting rules were amended to obtain information on environmental impact and safety procedures associated with the various projects.

The sponsors of the federal projects included the Air Force, Navy, National Science Foundation, NOAA and the Bureau of Reclamation (Department of the Interior). South Dakota and Kansas were the only two states sponsoring programs. Municipal districts were generally concerned with water resources.

The weather modification activities had four major objectives: Precipitation increase (rainfall and snowfall), fog dispersal, hail decrease, and research. Of 89 objectives included in the report (some of the 74 activities had more than one purpose), 53 were devoted to increasing precipitation and 15 to dispersing fog.

A list of target areas for the modification projects in 1974 indicates that weather modification activity took place in 22 states and Puerto Rico. About 75 percent of the activities were carried out in the western United States.

According to the report, liquid-fueled silver iodide generators or burners were the most common type of weather modification apparatus, being used in 14 ground-based projects and 14 aircraft seeding activities. Propane or acetone were normally used as fuel. The arc-type silver iodide burner was used exclusively at ground level in 21 activities. Pyrotechnic devices including flares, rockets, and Very pistols were employed in 21 projects.

The report concludes that, in most activities, the consequences of the operations or experiments were carefully considered and steps taken to minimize hazards to people, property, and the environment.

TAKING A TEMPERATURE—*Infra-red sensing equipment in this twin-engine plane belonging to the Remote Sensing Institute of South Dakota University recorded surface temperatures of rooftops in Nebraska and South Dakota last winter. The resulting thermograms are used to indicate how effective home insulation is—valuable information in summer as well as winter. The project was sponsored by Central Telephone and Utilities of Lincoln, Neb. Shown here, l. to r., are Fred Schmer of RSI, pilot Al Rushe and Bill Rippert, RSI.*

Cooling Degree Days Help Estimate Summer Energy Usage

A widely accepted means of anticipating summertime energy usage is the cooling degree day, summer sister of the more familiar heating degree day used to estimate fuel consumption in winter. (See *Commerce Today*, p. 17, May 12.)

According to Commerce's National Oceanic and Atmospheric Administration, whose Environmental Data Service computes degree day statistics, the cooling degree day serves as an index of air conditioning requirements.

It is computed by subtracting 65°F from the daily mean temperature. For example, if today's high temperature is 82°F and the low is 60°F, the daily mean temperature is 71°F. This equals six cooling degree days (71-65). If the daily mean temperature is 65°F or lower, the cooling degree total is zero.

Utility companies use cooling degree days rather than temperatures when they determine how much power they must generate. The weather forecasts for the next day, the next week or the next month can be turned into an approximate accumulation of cooling degree days for the period. From this, they compute the required power supply.

Unfortunately, the relationship between cooling degree days and energy consumption is less precise than the one between heating degree days and energy consumption. Meteorologists and engineers disagree as to which factors are most directly linked to energy usage by air conditioning systems. Some think that air temperature alone is a good indicator. This, of course, is true when the air conditioning is controlled by thermostat.

Other experts think that air temperature combined with humidity is the best indicator, as people who are uncomfortable will turn on their air conditioning without regard for thermostat temperature settings. A few believe that wind speed and solar radiation should also be included in energy-use calculations.

The cooling degree day concept, while far from perfect, is thought to be the best means of anticipating summertime energy usage.

Data have been accumulated on normal seasonal cooling degree day totals for the United States for 1941-1970, showing what to expect in an average summer for a given location. For example, the Southeast is much warmer (more cooling degree days) than the California coast and, therefore, requires more power to keep cool. This type of comparison is useful if you have a choice of areas that you could live in—say after retirement—and are trying to estimate the relative expense for air conditioning.

Local National Weather Service offices can provide area cooling degree data and accumulations. More detailed local and national data are available in several of the publication series of NOAA's National Climatic Center, Federal Building, Asheville, N.C. 28801.

Calendar For Businessmen

July 23-24—San Francisco — Consumer Energy Workshop sponsored by FEA's Office of Consumer Affairs and Special Impact. Contact: Gerry Jackson, 202-964-4781.

July 24-25 — Atlanta — Remedies for Breach of Contract seminar, Stouffer's Atlanta Inn. For information, Practising Law Institute (212-765-5700).

July 28-Aug. 1—Los Angeles—International Solar Energy Society biennial conference, UCLA. For information, E. L. Ralph, Spectrolab, 12500 Gladstone Ave., Sylmar, Calif. 91342 (213-365-4611).

July 29-31—Anaheim, Calif. — Western Packaging EXPO, Convention Center. For information, Clapp & Poliak, Inc., 245 Park Ave., New York 10017 (212-661-8410).

July 31-Aug. 1—New York—Construction Contracts seminar, Barbizon Plaza Hotel. For information, Practising Law Institute (212-765-5700).

Aug. 4-7—Philadelphia—Management of Environmental Protection Programs seminar, Drexel University. For information, Director, Continuing Professional Education, Drexel Univ., 32nd and Chestnut Sts., Philadelphia, Pa. 19104 (215-895-2154).

Aug. 4-8—Washington — Solar House Heating and Cooling course, George Washington Univ. For information, Continuing Engineering Education Program, George Washington Univ., Washington, D.C. (202-676-6106).

Aug. 6—Washington—5th Annual Eco-Technic Recycling Conference, L'Enfant Plaza Hotel. For information, National Assn. of Recycling Industries, 330 Madison Ave., New York 10017 (212-867-7330).

Aug. 11-15—Norman, Okla.—Industrial Development Institute training course, Univ. of Oklahoma. Sponsor: American Industrial Development Council. For information, Gerald E. Ruffin, Director, IDI, Univ. of Oklahoma, 1700 Asp Ave., Norman, Okla. 73069 (405-225-1931).

Aug. 18-19—Chicago—Construction Contracts seminar, Ambassador Hotel. For information, Practising Law Institute (212-765-5700).

Aug. 18-22—Newark, Del.—10th Intersociety Energy Conversion Engineering Conference, Univ. of Delaware. For information, Dr. Charles E. Backus, College of Engineering, Arizona State Univ., Tempe, Ariz. 85281 (602-965-3857).

U.S. Share Of Market Weakens In Developing Areas; World Import Expansion Moderates

The value of imports by the world's leading trading nations showed a slowing trend during the latest 12-month period for which data are available. Moreover, compared with recent reports in this series, fewer countries recorded steep increases of over 40 percent. Similar developments were noted with respect to purchases of U.S. products, as indicated in the accompanying table.

Growth in import volume slackened as economic activity continued to be sluggish throughout the industrialized world. In addition, with demand pressures easing, prices of various internationally traded commodities declined or increased more moderately.

U.S. exporters improved or maintained their standing in less than half the listed markets, a reduction from the 50-60 percent ratio noted in these reports for the past year or so. This change stemmed from a relatively weak U.S. performance in the developing countries, which in the past have been a source of strength. Among the developed nations, however, recent patterns continued to prevail, with the U.S. share recording strong gains among the smaller countries but declining in most of the top ten importers.

Share rises in Belgium, U.K.

To preserve continuity with previous reports, the trade data used here are expressed in U.S. dollars reflecting exchange rates prevailing in each period. As a result, changes based on these dollar values are inflated (deflated) for countries whose currencies have appreciated (depreciated) relative to the dollar. Because of the inclusion of new data on the U.S. share of imports excluding petroleum, the discussion of reserves and related tabular material have been eliminated from this report.

Among the top ten importers, the U.S. position improved in only Belgium and the United Kingdom while remaining virtually unchanged in the Netherlands. Belgium stepped up its purchases of U.S. goods markedly faster than those from other suppliers. Pacing the more than two-fifths rise from this country were higher imports of nonelectric machinery, aircraft, organic chemicals, corn, and textiles.

In the United Kingdom, the U.S. standing also improved as imports from this country advanced somewhat more rapidly than from others. Arrivals of U.S. chemicals, aircraft, and office machines were especially buoyant, and those of coal and textiles also contributed to the gain. Conversely, purchases of foodstuffs declined.

The U.S. position in the Netherlands stabilized as imports from both American and other suppliers climbed by about one-third. Larger Dutch purchases of U.S. corn, oilseeds, organic chemicals, and scientific and optical instruments more than offset substantial reductions in aircraft and animal feedstuffs.

In Spain and Sweden, the U.S. share weakened although purchases from this

WEST VIRGINIA, HUB OF EASTERN SEABOARD—*This description was explained last month in Washington at a state-sponsored luncheon for diplomatic representatives of 15 Near East-North African nations. A similar investment promotion event was held in March for European diplomats. Above are (from left) West Virginia Industrial Development Director Alex Lawrence, Commerce Commissioner Ralph D. Albertazzis, and Cyrus Honary, Commercial Counselor of the Iranian Economic Mission in the U.S. The state emphasizes that its coal, steel and wood products are within overnight delivery of all major Eastern markets.*

World Market Report

The 43 markets shown below accounted for 88 percent of 1974 imports into all free-world markets and 85 percent of imports from the United States

Values in millions of dollars — Published quarterly

Importing country	1974 Imports				1975 Imports January through latest month					Import change in latest 12 months*	
	From world	From U.S.	U.S. share %	U.S. share excl. oil %	Latest month	From world	From U.S.	U.S. share %	U.S. share excl. oil %	From world %	From U.S. %
Germany, West	68,962	5,399	7.8	9.3	Apr.	25,145	2,114	8.4	(1)	+ 22	+ 18
Japan	62,067	12,681	20.4	30.7	Apr.	19,235	4,162	21.6	29.4	+ 31	+ 20
United Kingdom	54,141	5,276	9.7	12.0	Apr.	18,707	1,974	10.6	12.7	+ 26	+ 29
France	52,189	4,088	7.8	9.8	Apr.	18,958	1,558	8.2	[2]10.0	+ 27	+ 25
Italy	40,916	3,117	7.6	10.0	Feb.	5,705	567	9.9	(1)	+ 38	+ 36
Canada	34,557	22,405	64.8	74.0	May	15,063	9,749	64.7	[2]72.3	+ 29	+ 22
Netherlands	33,253	2,869	8.6	[2]10.9	.....	.....	.....	.....	.....	+ 34	+ 35
Belgium-Lux.	29,516	1,930	6.5	7.2	Feb.	4,795	325	6.8	(1)	+ 30	+ 42
Sweden	16,370	10,412	6.4	7.5	Mar.	4,896	301	6.1	7.2	+ 62	+ 40
Spain	15,372	2,376	15.5	20.0	Apr.	5,769	992	17.2	(1)	+ 46	+ 40
Switzerland	14,421	945	6.6	7.2	Apr.	4,894	414	8.5	9.1	+ 11	+ 31
Brazil	14,125	3,526	25.0	(1)	.....	.....	.....	.....	.....	+102	+ 76
Australia	12,423	2,575	20.7	(1)	Jan.	1,052	210	19.9	(1)	+ 59	+ 43
Denmark	9,873	599	6.1	7.3	Mar.	2,403	130	5.4	6.3	+ 19	+ 13
Austria	9,022	259	2.9	3.1	Apr.	3,266	92	2.8	[2]3.2	+ 19	+ 9
Norway	8,414	686	8.2	8.9	Jan.	728	80	11.0	11.3	+ 32	+ 79
Singapore	8,326	1,169	14.0	18.3	Mar.	2,095	349	16.7	(1)	+ 46	+ 61
South Africa	7,930	1,313	16.6	(1)	.....	.....	.....	.....	.....	+ 53	+ 57
Yugoslavia	7,542	354	4.7	(1)	Feb.	1,255	62	4.9	(1)	+ 56	+ 56
Taiwan	6,984	1,685	24.1	27.3	Feb.	850	276	32.5	36.3	+ 68	+ 63
Korea, Rep.	6,852	1,701	24.8	29.0	Mar.	1,880	505	26.8	31.6	+ 49	+ 36
Hong Kong	6,844	916	13.4	14.2	Mar.	1,478	174	11.7	(1)	+ 9	+ 14
Finland	6,807	348	5.1	6.1	Mar.	2,118	147	6.9	(1)	+ 56	+ 63
Mexico	[2]5,880	[2]3,657	[2]62.2	(1)	.....	.....	.....	.....	.....	+ 42	+ 40
India	[2]5,352	[2]711	[2]13.3	(1)	.....	.....	.....	.....	.....	+ 67	+ 28
Portugal	4,496	400	8.9	10.0	Mar.	932	116	12.5	13.6	+ 44	+ 68
Greece	4,386	403	9.2	(1)	.....	.....	.....	.....	.....	+ 28	+ 43
Israel	4,224	756	17.9	(1)	Mar.	1,035	236	22.8	(1)	+ 34	+ 34
Indonesia	3,859	611	15.8	(1)	.....	.....	.....	.....	.....	+ 64	+ 38
Ireland	3,807	247	6.5	7.4	Apr.	1,332	97	7.3	7.3	+ 26	+ 31
Turkey	3,778	350	9.3	(1)	Feb.	714	60	8.4	(1)	+ 78	+ 76
New Zealand	3,650	467	12.8	(1)	.....	.....	.....	.....	.....	+ 67	+ 77
Malaysia, West	[2]3,562	[2]328	[2]9.2	[2]10.2	.....	.....	.....	.....	.....	+ 71	+ 92
Philippines	3,452	819	23.7	(1)	Mar.	891	181	20.3	(1)	+ 70	+ 47
Thailand	3,202	432	13.5	[2]15.9	.....	.....	.....	.....	.....	+ 56	+ 49
Nigeria	2,722	346	12.7	(1)	.....	.....	.....	.....	.....	+ 46	+ 81
Morocco	1,977	178	9.0	10.4	.....	.....	.....	.....	.....	+ 80	+ 51
Trinidad, Tobago	1,782	194	10.9	38.4	.....	.....	.....	.....	.....	+129	+ 57
Pakistan	1,738	393	22.6	26.1	Feb.	391	38	9.7	(1)	+ 80	+ 23
Peru	1,530	476	31.1	(1)	.....	.....	.....	.....	.....	+ 49	+ 55
Viet-Nam, Rep.	907	492	54.2	(1)	.....	.....	.....	.....	.....	+ 38	+ 61
Costa Rica	692	238	34.4	(1)	.....	.....	.....	.....	.....	+ 52	+ 49
Guatemala	[2]673	[2]212	[2]31.6	(1)	.....	.....	.....	.....	.....	+ 56	+ 57

Note: The countries shown above include the 43 major importers of U.S. merchandise in 1974 for which current data are available. In order to present comparable statistics for all countries, import data have been adjusted from an f.o.b. to a c.i.f. valuation for Australia, Brazil, Canada, Philippines, and the Republic of South Africa.

* Compared with preceding 12 months. [1] Not available. [2] Estimated.

Source: Official trade statistics of listed countries.

country increased by two-fifths in both cases. Arrivals in Spain of soybeans, corn, coal and power generating machinery were notably higher, but were partially offset by a sizable decline in animal feedstuffs. In Sweden, purchases of U.S. aircraft and electric and nonelectric machinery were buoyant.

The U.S. position slipped slightly in Italy as imports from other suppliers rose a bit faster than those from this country. Nevertheless, Italian purchases of a variety of U.S. goods, especially soybeans, coal, and chemicals, advanced strongly.

Canada, Japan, and Germany each increased their purchases of American-made products by around one-fifth, a relatively slow rise, and, as a result, this country's standing diminished in all three. Contributing to Canada's import expansion from U.S. suppliers were autos, motor vehicle parts, trucks, tractors, coal, and organic chemicals. Larger arrivals of coal, aircraft, corn, wheat, and cotton were the key factors in the rise in Japanese purchases from this country, while those of soybeans, corn, military goods, and electrical equipment were the significant items in the case of Germany.

The U.S. position improved in the majority of the smaller developed countries. In Norway, purchases of U.S. goods climbed more than twice as rapidly as those from other suppliers. Especially strong gains occurred in arrivals of construction and mining equipment, pumps and centrifuges, special purpose vessels, and soybeans.

U.S. exporters also enhanced their standing in Portugal and, to some extent, in Finland as both stepped up their imports of American corn and aircraft. In addition, Portugal purchased more wheat; Finland, more nonelectric machinery. Similarly, the U.S. share rose in Switzerland. Swiss purchases of a variety of U.S. goods including chemicals, tobacco, aircraft, and textiles advanced strongly and more than offset a decline in electronic components. Elsewhere, the U.S. standing gained in New Zealand and South Africa and held even in Yugoslavia. Conversely, the position contracted in Australia and fell slightly in Turkey, although their imports from this country rose substantially.

Among the developing nations, the U.S. share generally weakened. In Mexico, this country's largest market in the developing world, the slippage was marginal. Imports from the United States climbed by two-fifths, spurred by corn, aircraft, organic chemicals, and iron and steel. In addition, the U.S. position weakened in Taiwan, the Philippines, and Korea although each reported substantially higher purchases of U.S. goods, including nonelectric machinery and aircraft. On the other hand, increases in these same items, along with construction and mining equipment, helped strengthen the U.S. share in Singapore.

Iran Notes Concern Over Role Of Agents

The Government of Iran recently has expressed its concern about the activities of so-called five-percenters and influence peddlers who are attempting to interpose themselves between foreign business firms and Iranian Government purchasing offices responsible for military and nonmilitary contracts.

A June 4 statement by the Iranian Government addresses the problem in this way: "Authorized, legitimate and recognized representatives of foreign firms, by whatever name they may wish to refer to themselves—and this includes the term middlemen—are common to international business all over the world and are more than welcome to perform their valid role in Iran. Iran's is a free and rapidly growing economy and it is not even remotely the government's intention to do anything to hinder the activity or the participation of foreign, and particularly American, firms in the development of Iran.

"However, what the Prime Minister in particular, and the Iranian Government in general, will not tolerate is the unethical intervention of individuals, whatever their status of business designation, who through unauthorized and under-the-table receipts of money seek their own financial enrichment at the expense of the country; and it may be added that in such illegal dealings, the Iranian Government views the donor as just as guilty as the recipient."

CONFERRING IN EGYPT—*Members of textile machinery mission in Cairo discuss trade prospects. From left: George Johnson, Crompton & Knowles; Mission Director Laron Jensen; Federation of Egyptian Industries Chairman Hamed Habib; Minister of Industry Eissa Shahin.*

Mission Finds Mid East Eager To Buy U.S. Textile Machines

"You have been absent too long," Egypt's Minister of Industry told the members of a recent U.S. trade mission promoting textile machinery and cotton ginning equipment. The remark was also made by officials and mill owners in Morocco and Syria. For different reasons, each country is eager to re-establish contacts with U.S. suppliers and each is ready to buy, to carry out extensive textile expansion plans.

Meetings in nine cities with ministers, government textile leaders, public and private sector mill owners and managers, chambers of commerce and industry, and private agents and distributors gave mission members an intimate look at three of the largest Arab textile producing countries. Hosting the mission—which was organized by the Commerce Department and led by Laron Jensen of the Commerce Action Group for the Near East—were a dozen textile mills ranging in size from the 17,500 spindle privately owned ICOMA mill in Morocco to the Egyptian Government's Misr Mehalla plant, which with 300,000 spindles is the largest integrated mill in the Middle East.

Most members looking for potential local representatives found them, and several firms appointed agents on the spot. The importance of local representation was underscored in all three countries, even in Egypt where agents of foreign suppliers are not only permitted (a recent change) but soon will be required when bidding on government tenders. Sales over the next year as a result of mission contacts are projected at $13.5 million.

Priority attention in Morocco

The Moroccan government gives priority attention to expanding and modernizing its sizable textile industry, emphasizing domestic value-added, integrating local plants, and producing for export. Foreign investor participation is invited.

The textile industry has more than 700 firms, including 300 spinning, weaving, and finishing plants. All but two are privately owned; one of the exceptions, COTEF in Fes with 50,000 spindles, is the largest in Morocco. Most new major plants will be joint ventures between government and Moroccan or foreign private investors. The government sees its role as that of a "promoter" of industry and intends to diversify new facilities to lesser developed parts of the country. Half of Morocco's textile plants are in Casablanca; most of the others are in Tangier or Fes.

Total 1974 production was valued at $473 million; $104 million consisted of exports of mostly finished textiles to Europe. By 1977, the government expects production to reach $710 million and exports to equal $234 million in value.

Textile infrastructure includes 300,000 cotton spindles and 4,500 cotton looms; 50,000 wool spindles and 1,100 wool looms. There are 4,100 looms utilizing imported synthetic and artificial fibers and 1,500 terry cloth looms. The industry also includes 4,000 knitting machines (one-half are circular); 120 embroidery and upholstery machines; and 12,000 industrial sewing machines for clothing manufacture.

By the end of the current development plan in 1977 the government hopes to have 450,000 cotton spindles in Morocco, thus adding about 50,000 per year during the plan period. Other annual equipment needs over the next three years include 100 to 150 shuttleless looms; 150 circular knitting machines; 300 to 500 flat-bed knitting looms; and 3,000 industrial sewing machines. To be built in the near future are a synthetic fiber (rayon/viscose) plant; a wool and worsted yarn plant for carpets; and a mulberry farm and plant to process natural silk fiber.

Moroccans contacted emphasized one theme: they want to do business with American suppliers but know little about U.S. capabilities. European suppliers dominate the market, not solely because of reputation but because Europeans keep in constant contact with plant managers through frequent visits by their local Moroccan agent; through supply of catalogs and literature in French; by offering to train Moroccan workers and to supply short-term advisors on the spot; and by helping the Moroccan manufacturer find markets for his finished goods.

The main problem in communicating with U.S. suppliers is language itself. Too many U.S. firms, according to Moroccans, insist on corresponding in English, which few Moroccans read. To penetrate the sizable market, which is completely open to U.S. firms in principle, correspondence and technical literature must be in French, mission members decided. Tardy delivery was also cited by Moroccans as a problem in dealing with U.S. firms.

Officials from the Ministry of Commerce and the Moroccan Textile Industries Association (AMIT), invite U.S. firms to participate in Moroccan trade fairs, particularly the second biennial Textile and Leather Goods Fair to be held May 21-28, 1976, in Casablanca. The biennial Casablanca International Fair to be held again in 1977 is another showplace for displaying company products.

Massive development in Egypt

Textiles comprise Egypt's largest manufacturing industry. The mills, 70 percent government-owned, include two million spindles and 20,000 looms. Public sector plants, grouped under the General Organization for Spinning and Weaving whose chairman is American-educated Mohamed Safei El Din El Kharadly (the mission's host), count among them Misr Mehalla, which with 300,000 spindles and 36,000 workers is the largest textile complex in

PLANT VISIT IN MOROCCO—*Textile machinery suppliers visit the Icoma mill in Mohammedia. Left to right: Joseph Fisher, U.S. Commercial Attache; Frank Ward, Amatex Corp.; interpreter; Frank Bennett, John D. Hollingsworth on Wheels, Inc.*

the Middle East. Ginning and spinning are government monopolies while weaving and finishing are shared with the private sector. Ready-made clothing is mainly in private hands.

The Mission arrived at a propitious time in which the government is preparing its next five-year plan, 1976-80, tentatively allocating $950 million to modernize the textile sector. The World Bank is also studying a possible $200 million loan for new textile machinery.

Mission members were impressed by the size and sophistication of existing facilities, the best of which match or surpass many U.S. mills. Equipment varies from the most modern shuttleless looms, autoconers, spinners and jacquard knitting machines supplied by European firms such as Sulzer, Ritter and Schlafhorst to a mix of East European, Japanese and older U.S. equipment. Most U.S. equipment, while running smoothly, dates generally from three periods: 1957, 1946, or 1939.

Government textile officials and private Egyptian mill owners emphasized their familiarity with and desire for U.S. machines. "You have friends here; your machines are known to us," said the chairman of the Textile Quality Control Center in Alexandria, Hamed El Maamoun Habib. Lack of contact with U.S. suppliers, as well as inability through the 1960s to obtain foreign exchange for U.S. goods, led to the current scarcity of U.S. equipment in Egyptian mills.

All this is changing as Egypt's open-door policy encourages renewed contact with American, and other, suppliers. The mission visit was regarded by public and private Egyptian officials as a symbolic re-establishment of long-severed ties.

The textile development program is massive. Plans are being made to add 300,000 spindles to public sector mills during 1976-80 and to renew another 300,000 spindles. About six new textile plants will be built, some as spinning mills only and others as spinning/weaving plants. Misr Mehalla plans to add a new 52,000 spindle mill and nearly 1,000 new looms and to build a 20,000 kw. power plant, an acrylic fiber plant and a 25,000 ton polyester fiber plant (the latter is under negotiation with French companies). Other public sector needs include an artificial leather plant, a blanket factory, a 55,000 spindle rayon/viscose mill; and dyeing and finishing equipment. The KABO El Nasr mill in Alexandria intends to renew 90 percent of its winding, texturizing, knitting and sewing machines and to double production (currently valued at $26 million) within the next five years.

Private Egyptian investors, with government encouragement, also have expansion plans. According to the Federation of Egyptian Industries, private firms now have the right to import directly, rather than through a state monopoly.

Financing remains a key problem to doing business in Egypt. Terms offered by suppliers count heavily in Egyptian purchasing decisions.

More expansion in Syria

The textile sector is Syria's largest industrial employer and second only to petroleum in value of production. As in Egypt, government companies control ginning and spinning; private and state mills share weaving and clothing manufacture.

The Union of Textile Industries (UNITEXTIL) directs activities of government textile firms; its Director General, Abdullatif Kutait, hosted the Mission. There are 500 private weaving firms in Syria operating 10,000 looms with a maximum of 40 each.

Large integrated government textile plants exist in Damascus, Aleppo, Homs, and other cities. The Mission visited three, of which the largest—United Arab Industrial Corp.—has 22,500 spindles and 400 looms. Equipment in Syrian mills is mixed European, Japanese and U.S. Sauer, Sulzer, Schlafhorst, Platt, Ingolstadt and Textima (Malimo) are well known brands in Syria. U.S. makes include Draper, Saco-Lowell, Parks-Cramer, Barber Coleman.

A new five-year plan, 1976-80, in preparation, aims to increase the number of spindles in Syrian mills from 216,000 to 720,000. Emphasis is also placed on increasing weaving capacity, concentrating on the export of yarn, mainly to other Arab markets such as Egypt.

Construction is under way on several plants to manufacture carpets, synthetic yarn, and underwear. A tender was recently issued (July 15 deadline) for a turnkey carpet plant. Future projects and tenders are expected for long-staple cotton carding equipment; 5,000 to 7,000 woolen spindles; a scintering machine and other finishing equipment; a 1.2 million piece underwear plant in Aleppo; and a polyester plant, which is being studied by a Japanese firm, Ichiba.

Government plants can import directly goods valued to $100,000; more than that requires UNITEXTIL approval. Tenders are published in Damascus' Arabic-language "Daily Tender Bulletin" and specifications documents are routinely sent to known local agents, chambers of commerce in Syria and in Europe, and to the U.S. Embassy. Syrian officials also invite foreign investors in the textile sector, as licensors or joint venture partners with private or public Syrian firms.

Mission members—and by implication, all U.S. manufacturers—were welcomed by the President of Damascus' Chamber of Industry, Chafic Souccar: "We have been waiting a long time to see U.S. industry representatives; let us begin to do business."

Mission members included: Arthur Morgan, Artmor Plastics, Cumberland, Md.; Bud Kennedy, Ashworth Brothers, Greenville, S.C.; Richard Hare, Coleman Textile Machinery, Rockford, Ill.; George W. Johnson, Crompton & Knowles, Worcester, Mass.; Frank C. Bennett and Gilbert Rivers, John D. Hollingsworth on Wheels, Greenville, S.C.; Robert A. Hutchinson, Lummus Int'l Sales, Columbus, Ga.; Jack Morrison, Jr., Morrison Textile Machinery, Fort Lawn, S.C.; Joseph T. Lamb, Parks-Cramer, Fitchburg, Mass.; Gordon B. Harvey and George K. Nelson, Rando Machine, Macedon, N.Y.; Thomas Lloyd, Rockwell Int'l Weaving Machinery Div., Hopedale, Mass.; Eugene Burdell, West Point Foundry & Machine, West Point, Ga.

Also, the following members represented other U.S. suppliers in addition to themselves: Frank B. Ward, Amatex Export Trade Ass'n, Greenville, S.C.; Thomas W. Prunk, Consolidated Int'l, Wickford, R.I.; K. T. Lendt, Lendt & Co., New York.

MISSION IN LAGOS—*After discussions at Nigerian Railway Corporation headquarters, U.S. business group pauses for pictures before departing to inspect shops. Center, with hat, T. I. O. Nzegwu, Corporation official; on his left, Mission Director Theodore F. Fiedler.*

Railway Expansion In Africa Spurs Mission To Track Business Prospects

Current railway expansion in Africa, and recently announced plans for further development, put a group of U.S. suppliers to work tracking down opportunities for business in several countries.

Visits with transport ministries and railroad officials, tours of shops and yards, and an overnight journey on a comfortable train with excellent service enabled the members of a Commerce Department railway equipment mission to see for themselves that Nigeria, Zaire, Botswana, and Zambia are areas for additional sales.

Allocations under Nigeria's new five-year (1975-80) plan, Zaire's need for additional capacity for hauling copper, Zambia's increasing imports of locomotives, and plans for new branch lines in Botswana all point to new business prospects. The nine corporate executives comprising the mission represented firms manufacturing locomotives, railway cars, maintenance equipment, and signaling systems.

Nigeria: new five-year plan

In Lagos, the team met with L. O. Lavral, Under Secretary for Land Transport, Federal Ministry of Transport, who described the railway system in Nigeria and how it would be treated in the 1975-80 plan. The system has grown since its beginning in 1898, with construction of the 120-mile Lagos-Ibadan line, to the present 2,200 miles of narrow gauge track covering the major portions of the country. The five-year plan allocates $1.4 billion to the Nigerian Railway Corporation, one of the most ambitious single projects currently planned by the government. The plan includes converting the entire system from narrow (3 ft. 6 in.) to standard (4 ft. 8½ in.) gauge track. Market possibilities for rolling stock, marshalling yards, buildings, workshops and ancillary equipment seemed to be greater in Nigeria than anywhere else in Africa, according to Commerce's Theodore F. Fiedler, who headed the U.S. group.

The mission met with T.I.O. Nzegwu, Acting General Manager of the Nigerian Railway Corporation, and several of his staff. A tour of the shops afforded the U.S. businessmen an opportunity to see the corporation's operations and to offer constructive suggestions. Upon completion of the Nigerian leg of the trip, John Rose of the Electro Motive Division of General Motors, LaGrange, Ill., noted, "They have 25 General Motors locomotives and the Nigerians are pleased with their performance," and Harry E. Jorgensen of Onan Corp., Minneapolis, stated that Nigeria offers great opportunities for his company.

Zaire: needs delineated

Zairian railway officials appeared especially eager to meet with the mission. In both Kinshasa and Lubumbashi, they described the present system and plans and needs for the future—including upgrading the present right of way, improving the signaling system, and expanding railway capacity for the copper mining area.

The team was taken to the shops and marshalling yards near Kinshasa and then for about 80 kilometers along the track toward the port of Matadi for inspection of the signal equipment. Among pieces of U.S. equipment in use was a large right-of-way clearing machine that had been supplied by Kershaw International, Montgomery, Ala. Peter H. Deckert of Kershaw said, "In spite of financial difficulties, I expect Zaire to continue to be a good market for track maintenance equipment."

In Lubumbashi, officials of the Zairian national railway pointed out that addi-

ON THE RAILWAY LINE—*About 80 kilometers down the track from Kinshasa toward the port of Matadi, the mission traveled—in a motor coach made available by the Zairian National Railway—to inspect the main installation of the signaling system.*

tional facilities are needed to move copper ore—from mine to smelter and from smelter to the seacoast.

From Lubumbashi, the mission was scheduled to go to Lusaka, Zambia, more than 500 miles to the south. As no air facilities were available, the National Railway provided the mission a special train, consisting of two first class railway cars with staterooms and a restaurant car.

Zambia: shop training

In Lusaka, the team met with railway officials and members of the Ministry of Transport. Included was a field trip to Kabwe where the mission observed the operations headquarters of the Zambia railway system. The groups toured the shops which included a well equipped and staffed training facility—set up under sponsorship of the International Labor Organization of the United Nations—for personnel who would later be employed there. General Electric had sold locomotives to the Zambian railway and had provided a man to supervise and reorganize its shops. Under his direction, they have become a model—"certainly the best the mission saw in Africa," Fiedler commented.

Botswana: new branch lines

In Gaborone, Botswana, the mission was informed that the railway, which is owned by the South Rhodesian Railway Corporation, would probably be purchased by the Botswana government in the near future—at which time Botswana will be in the market for much additional equipment. The country also expects to construct a new branch line to provide transportation facilities for developing potash and soda-ash deposits and another for coal deposits. Four government ministers participated in the discussions there.

Prospects are good for sales to African railways, the mission members concluded, and they expect their business as a result of the visit to approach $3.2 million in the next 12 months. Even an unscheduled overnight stop in Douala, Cameroon, where the U.S. Consul "put them to work," brought results: C. A. McGough, Jr., Hanover, Pa., CAM Industries, said, "Interest in our specialized electric repair shop equipment was very high. I expect to make a major sale within 12 months and expect three or four more later." And Cemal Baris, Korody-Colyer Corp., Wilmington, Calif., signed an agency agreement there.

Mission members, in addition to those already mentioned, were: Roger Eblovi, General Railway Signal Co., Rochester, N.Y.; William K. Gregg, Gregg Co., Hackensack, N.J.; Kasmier Kulesha, Motorola Inc., Schaumburg, Ill., and Robert F. Vunk, General Electric, New York.

Multilateral Trade Negotiations

GENEVA

The **MTN Group on Agriculture** met July 9-10, and after reviewing the work of its commodity subgroups and discussing its immediate work schedule, the members judged that an effective beginning has been made in examining the various country approaches and priorities for grains, dairy products and meat, the major agricultural commodities in world trade.

The **Subgroup on Grains,** meeting June 23-26 for the second time, discussed market and price stabilization, trade expansion and liberalization, and assistance for developing nations, without reaching any conclusions. Next meeting: October, at which the subgroup may consider variable levies, minimum import prices and export subsidies, all items of keen interest to the U.S.

The **Subgroup on Dairy Products,** at its first meeting June 23-25, agreed that its initial analyses should cover butter and anhydrous milk fat, principal cheeses, dried milk and casein, which are regarded as the most widely traded dairy products. The subgroup will begin by studying all specific characteristics of dairy trade, including trade restriction. Then it will examine expansion and liberalization, stability of markets, improving competition, international cooperation, and special treatment for developing nations. Next meeting: probably in October.

The **Subgroup on Meat,** at its first meeting June 16-19, agreed upon a work program that closely parallels that of the dairy products subgroup described above. Its next meeting, though not definitely set, will probably be in October.

The **MTN Tropical Products Group,** at a second meeting June 16-19, reviewed request lists presented by exporting to importing countries seeking specific product concessions. The U.S., for example, has received 22 such country lists, and others are awaited. The requests to the U.S. covered mainly agricultural items, but also included some important industrial raw materials.

It was agreed that consultations should proceed promptly between the requesting and the importing nations, that the GATT should be kept informed on the consultation arrangements, and that consultations could take place multilaterally between exporting and importing nations interested in the same specific products. Next meeting: Oct. 20, to review consultation progress and possibly set a timetable for circulation of initial offers. The meeting will also consider questions that may require multilateral action.

The **MTN Nontariff Measures Group** met June 23-24 to review the status of negotiations on subsidies and countervailing duties, customs matters, standards, and quantitative restrictions. Results of the spring meetings of the four subgroups in these areas were presented July 14 to the Trade Negotiations Committee, the overall steering group for the negotiations. U.S. negotiators felt that this meeting confirmed the willingness of the major national delegations to proceed rapidly on nontariff measures.

The Group discussed the possibility of some bilateral negotiations on nontariff measures, but deferred decisions until there is clarification of the coverage of measures to be treated multilaterally. Australia, in discussions about the links between the nontariff measures subgroups and other negotiating groups, proposed that nontariff measure data be incorporated in the tariff rate file being compiled by the Tariff Group. A detailed technical paper on this proposal will be considered at the next Group meeting, set for Oct. 13. The Group's October meeting will also consider establishing further subgroups. The schedule for the next Subgroup meetings is: Standards, Sept. 22; Customs Matters, Oct. 6; Quantitative Restrictions, Oct. 27; Subsidies and Countervailing Duties, Nov. 10 or 17.

The **MTN Safeguard Group** met June 30-July 4 and largely completed general debate on inadequacies of the present multilateral safeguard system, including use of GATT Article XIX, other GATT articles, and measures outside the GATT. The U.S. delegation described its own domestic safeguard policy, identified what it considers deficiencies in the present system, including circumvention of Article XIX, and suggested revisions of some aspects of Article XIX. The U.S. felt its objectives were met by the discussion. Nevertheless continuing differences of opinion were in evidence both as to the Group's mandate and the adequacy of the present system. It was agreed that the next meeting, in mid-November, will address specific problem areas of the present system, to lay a possible groundwork for a revised system and open the way for specific national proposals.

The **MTN Sectors Group's** second round of discussions, in early July, was marked by strong and widespread resistance to the preparation of further sector studies by the GATT Secretariat. The U.S. won majority agreement that the GATT Secretariat's Ores and Metals study should be analyzed in depth at the next meeting to define ways in which it can be improved, and to evaluate its usefulness should the sector approach be selected as an appropriate negotiating technique. However, there was adamant opposition by other delegations to a U.S.

proposal that the GATT Secretariat undertake the preparation of further sector studies of chemicals, electronics and heavy electrical machinery. Additional sectors, it was insisted, should not be considered until agreement has been reached on general approaches to tariffs and nontariff measures and until it can be shown that there is a need for the sectoral approach as a complementary technique to general approaches.

In an accepted compromise, the GATT Secretariat will prepare feasibility studies, rather than sector studies, in the three areas under discussion, and list available data sources for each. Next meeting: Nov. 3, during which the U.S. proposal will be discussed, taking into account the Secretariat feasibility studies and developments on general approaches to tariff and nontariff barriers.

WASHINGTON

The **U.S. International Trade Commission** on July 14 presented its report to the President on the Public List — those articles to be considered for modification or continuance of duties—and the Generalized System of Preferences. The Commission's advice on the probable economic effect of modification or continuance of existing U.S. duties on the domestic producers of like or directly competitive articles and on consumers will be among the sources used in formulating initial U.S. negotiating positions.

After holding public hearings throughout the country during June and early July, the **Trade Policy Staff Committee** returned to Washington, where the Executive Branch public hearings on the MTN and GSP resumed activity on July 14. The hearings will continue until all interested persons have been heard. Requests to present testimony should be made promptly to the Secretary, Trade Policy Staff Committee, Office of the Special Representative for Trade Negotiations, 1800 G Street NW., Washington, D.C. 20506; phone, 202-395-3395.

CONSULTATIONS PROGRAM

The third meeting of the **Industry Policy Advisory Committee** (IPAC) was held on June 20. Ambassador Frederick B. Dent briefed the committee on the overall MTN status and outlook as well as his recent meetings with senior economic and trade officials of major U.S. trading partners. The committee heard a preliminary overview of reports being developed by the Industry Sector Advisory Committees, and was briefed on the status within the MTN of government procurement, export subsidies and domestic aid to industry affecting imports, and acess to supplies of raw materials. Next meeting: Oct. 1, to review the recommendations of the ISACs.

During June the Commerce Department staff revised 26 Industry Sector Advisory Reports in accordance with instructions given earlier by 26 **Industry Sector Advisory Committees.** A number of the ISACs held third meetings during June and July to complete the review and approval of their advisory reports. It is expected that those reports will be available for use by the U.S. negotiators by the end of August.

A combined meeting of the **Labor Policy Advisory Committee** and six **Labor Sector Advisory Committees** was held June 18, with Secretary of Labor John Dunlop and Ambassador Dent attending. Individual sector committee meetings were held June 18-19. I. W. Abel, President of the United Steelworkers, and Harry A. Talley, President of the Glass Bottle Blowers, were elected as chairperson and vice chairperson, respectively, of the policy committee.

Commodities

The following report was prepared by the International Commodities Division, Office of Import Programs, Bureau of Resources and Trade Assistance.

U.S. Study. The International Trade Commission (ITC) announced that it will study past international commodity agreements in which the U.S. has been a participating party, as requested by the Subcommittee on Trade of the Senate Committee on Finance. The investigation has been instituted pursuant to a provision of the Tariff Act of 1930. The ITC report is to be made available to the committee by mid-September.

Coffee. The Council of the International Coffee Organization (ICO) met in London June 24-July 13, making progress on key provisions of a new International Coffee Agreement to take effect October 1976. Consensus on some major issues is seen in the report of a producer-consumer contact group that will focus the discussions at the next meeting, in October. Distribution of basic export quotas among producers remains unsettled. The present agreement has no economic provisions, such as price objectives and quotas, but provides an informational base on production, consumption and trade. Some 60 nations belong, including the U.S. and 17 other importing countries.

Tin. The Fifth International Tin Agreement was negotiated by 30 consumer and producer countries at a UN-sponsored conference in Geneva which concluded June 21. The new agreement, which will go into effect on July 1, 1976, aims at a buffer stock of 40,000 MT, half of which is to be provided by producers on a compulsory basis and half to be financed by consuming countries on a voluntary basis. (The Fourth Agreement provides for a 20,000 MT buffer stock financed entirely by compulsory producer contributions.) The U.S. has not joined past agreements. It participated in these negotiations, with no commitment to eventual membership.

Cocoa. Discussions were held in London June 9-13 in preparation for renegotiation of the International Cocoa Agreement, which is scheduled to expire in September 1976. The current agreement has been in effect for nearly three years, but because market prices have exceeded the agreement's target price range during this period, its economic provisions (export quotas and buffer stock) have been inoperative. Membership consists of 15 exporting countries accounting for 95 percent of cocoa production, and 25 importing countries accounting for about 85 percent of world consumption. The United States, while not a member, has been cooperating with the International Cocoa Organization by providing statistical information and is participating in the current discussions. Another preparatory meeting is scheduled in August before renegotiations begin on Sept. 17.

Wheat. The preparatory group of the International Wheat Council (IWC) met in London May 29 and 30 to continue its examination of the possible bases for a new international agreement to replace the International Wheat Agreement of 1971, including various aspects of a grains reserve system. A number of alternative ways of organizing an international system of reserves were discussed without commitment by any of the participants. Agreements in various forms have applied to international wheat matters since the 1930s. The current agreement, an extension of the 1971 agreement, consists of two separate legal instruments—the Wheat Trade Convention, administered by the IWC and the Food Aid Convention, administered by the Food Aid Committee. A further extension until June 30, 1976, is being sought, while negotiations for a new agreement are in progress.

Municipal Services Show, Seminar Set For Poznan

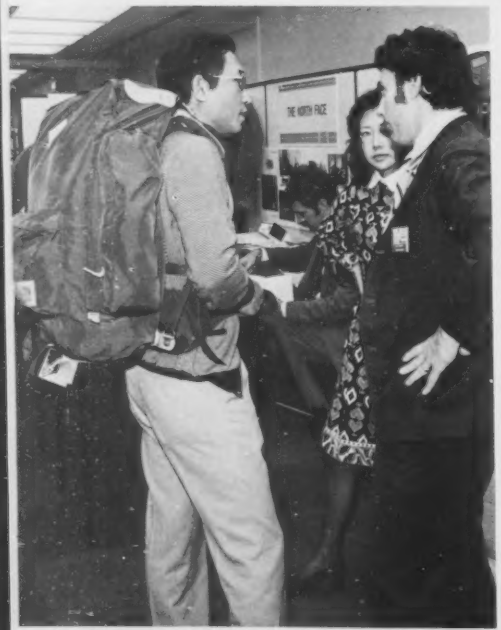
The Polish Ministry of Regional Economy and the Association of Technical Base of Municipal Economy are organizing a trade exhibition and scientific seminar on Municipal Service Installations and Environmental Protection Equipment—Komex '75—to be held Nov. 16-20 at the Poznan fair grounds. Sessions on "Water and Sewage Treatment Plants" and "Municipal Cleaning and Maintenance Installations, Roads and Parks, and Sewage Treatment" will be included. English is one of four official languages.

For details contact the Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230; telephone, 202-967-5163.

Trade Fairs, Centers

U.S. Household Goods, Leisure Items Draw Buyers To Tokyo Center Shows

Twin promotions of consumer goods at the Tokyo U.S. Trade Center recently demonstrated sizable Japanese interest in both household goods and leisure items.



TWIN CONSUMER GOODS SHOWS—*At household products exhibition (top photo), U.S. Trade Center, Tokyo, Masatsugu Fujita of Japan Department Stores Ass'n leads group of viewers at Thermo Sentinel's display. A few days later, at leisure living show, Kenneth H. Klopp (lower photo) of The North Face, demonstrates his firm's back pack.*

The first exhibition, featuring household products, was comprised of displays by 32 U.S. manufacturers of refrigerators, freezers, garbage disposals, trash compactors, ovens, mixers, coffeemakers, skillets, can openers, other convenience appliances, clothes washers and dryers, glassware, dishes, salad sets, dessert sets, ovenware, copper and stainless steel cookware, ice buckets, serving accessories, and brooms, mops, and brushes. The U.S. exhibitors sold or projected sales for the following year in Japan valued at $3.3 million, of which $1.9 million was for new-to-export and -market firms.

Market research by the U.S. Embassy, together with the results of this exhibition, indicate that the following household products possess the highest market potential in Japan: carpets, towels and sheets, leisure and outdoor blankets, curtain material, glassware, household electrical appliances (such as slow-cookers, drip coffee makers, yogurt makers, 4-slice toasters, blender-mixers), large-size refrigerators, bath shop accessories, and household paints and equipment.

Leisure items popular

For the second exhibition, American Consumer Goods for Leisure Living, 36 U.S. manufacturers of a wide variety of recreational and leisure items exhibited their products: sporting goods, hobby and craft kits, table games, do-it-yourself items, men's and ladies' accessories, perfume, educational books and movies, gardening equipment, and furniture. Growing per capita income in Japan, heightened interest in more and varied leisure, the rapidly gaining five-day work week, and a desire to improve the quality of leisure time activities created considerable interest in this exhibition. Participants collectively sold or projected sales for the following year valued at $7.3 million, of which $2.6 million was for companies new to export or new to the market.

Embassy research and the results of this trade show indicate greatest interest in U.S.-made musical instruments, stereo components, tennis equipment, American football and university-mark items, golf and ski equipment, camping equipment, educational and creative toys, handicrafts, books, magazines, records and tapes, men's formal wear, men's outerwear, men's fashion belts, tennis wear, "New York look" ladies' high fashion, furs, baby and infants' wear, and personal beauty care items.

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data will be published as available.

Children's Fashions and Children's Toys. Joint Export Establishment Promotion (JEEP). U.S. Trade Center, Paris, May 13-15. Exhibitors, 14. Floor sales, $31,000; 12-month projection, $5.9 million. Representative, joint venture, or licensing agreements signed, 6.

Industrial Power Tools (JEEP). U.S. Trade Center, Tehran, May 12-14. Exhibitors, 12. Floor sales, $156,500; 12-month projection, $1.2 million. Representatives appointed, 5; agreements under negotiation, 7.

Hotel and Restaurant Equipment. U.S. Trade Center, Stockholm, May 26-30. Participants, 27, representing 53 companies. Floor sales, $408,000; 12-month projection, $6.1 million, including $4.7 million by new-to-export or new-to-market firms. Representatives appointed, 31; under negotiation, 49.

Recreation and Leisure Equipment. U.S. Trade Center, Paris, June 2-5. Exhibitors, 26, representing 47 companies. Immediate sales, $170,000; 12-month projection, $5.2 million, including $4.9 million by new-to-market or -to-export firms. Representation agreements signed, 4; expected to be signed in 12 months, 24.

Security Systems and Equipment. U.S. Trade Center, London, June 2-6. Exhibitors, 47, representing 60 U.S. firms (49 new-to-market). Floor sales, $2.2 million; 12-month projection, $47.1 million, including $44.6 million by new-to-market firms. Representatives appointed, 43; under negotiation, 157.

Minicomputers, Terminals, Peripherals. U.S. Trade Center, Milan. June 3-7. Participants, 53, for 83 exhibitors. Floor sales, $4 million; 12-month projection, $27.2 million, including $6.8 million by new-to-export or -to-market companies.

Recreation and Leisure Products. U.S. Trade Center, Frankfurt, June 10-13. Exhibitors, 26, representing 44 companies. Floor sales, $41,750; 12-month projection, $11 million including $10.9 million by 22 new-to-market firms. Representatives appointed, 6; agreements under negotiation, 39.

Do-It-Yourself Products and Equipment (JEEP). U.S. Trade Center, Paris, June 11-13. Exhibitors, 11, representing 15 companies. Immediate sales, $230,000; 12-month projection, $3 million.

Do-It-Yourself Tools (JEEP). U.S. Trade Center, Frankfurt, June 18-20. Exhibitors, 10, all new to market; 12-month projection, $1.4 million; agency agreements under negotiation, 14.

Pulp and Paper '75. U.S. Commercial Office, Moscow, June 24-26. Exhibitors, 8, all new to market; 12-month sales projection, $3.5 million.

Energy Systems. U.S. Trade Center, Taipei, June 24-27. Exhibitors, 16. Floor sales, $335,600; 12-month projection, $6.7 million, including $2.5 million by new-to-export or -to-market firms.

Exhibitors Find U.S. Pollution Control Equipment Competitive In Germany

U.S. pollution control equipment offers a higher level of technological versatility and operational economy, and lower maintenance costs, than that of most European competitors, according to exhibitors at a recent U.S. Trade Center show in Frankfurt.

Despite the effects of currency realignments, inflation has cut some price advantages gained by U.S. exporters. However, most of the equipment shown was believed to be price competitive or to have technical advantages that offset price as a factor influencing purchase. Polled German visitors gave U.S. products very high marks on quality and by a 4-to-1 ratio felt prices were acceptable.

Among notable European competitors are Hartmann & Braun, Siemens, Hager & Elsaesser and Gatzelmann K.G. of Germany, Philips of Netherlands and Hansen of Belgium. If highly specialized equipment or instruments are required, non-U.S. alternatives often are not available.

Instrumentation for detection, measurement, analysis and control of pollution appears to offer the highest U.S. sales potential in Germany and European Community countries. Suppliers of major equipment and systems for air, water, solid waste or noise pollution must follow the marketing strategy of identification of potential end-users, engineers/contractors and major projects early enough to allow adequate lead time for specification and preparation of bids, just as they do in the United States. Original equipment manufacturers and industrial users are ranked as the most important potential customers—followed closely by local and federal government agencies, universities and research institutions, and then, sales agents and distributors.

Although well satisfied by the variety of products from 50 firms which were displayed, visitors expressed interest in some products not shown: dust samplers, gas analyzers, air systems for biological sewers, instruments for detecting oil leakage in inland waters, compact sewers and pumping systems, chromatographic analyzers, domestic water filters, solid waste disposal systems.

Exhibitors expect some $9.5 million in new business over the next 12 months as a result of their participation, as reported in the June 9 issue of *Commerce Today*.

Visitors and exhibitors alike agreed that the Commerce Department's Market Research Summary accurately identified a full range of instruments and equipment having high sales potential in Germany. The summary, widely distributed before the exhibition, will soon be available again for $3.25 through the National Technical Information Service, U.S. Department of Commerce, Springfield, Va. 22161. Order by title and number: Market Research Summary—Pollution Control Equipment Exhibition, April 22-25, Frankfurt; D1B-75-07-900.

Gov't Major Buyer In Mexico Medical Equipment Market

Government agencies are major and increasing purchasers of the medical equipment that is imported into Mexico, a recent exhibition in the U.S. Trade Center in Mexico City has confirmed.

Spurred by governmental efforts to meet the medical needs of Mexico's rapidly expanding population, such imports are estimated to have reached $20 million in 1974, about half from the U.S.

Principal government agencies purchasing such equipment are the Social Security Institute, the Government Workers' Institute for Social Security and Services, and the Secretariat of Health and Welfare. The 449 general and 246 specialized hospitals in the private sector also comprise a significant buying segment.

The 36 U.S. exhibitors representing 59 firms reported floor sales of $61,855 and projections for the next 12 months of more than $5 million in sales, including $2.7 million by new-to-market or -to- export firms. The participants displayed equipment ranging from cryosurgical machinery to stair elevators. Attracting the greatest interest were esophageal airways, telemetry mini-monitors, enzyme activity analyzer systems, glucose/BUN analyzers, neonatal intensive care units and related equipment, audiometers, cardio-pulmonary resuscitator equipment, patient monitoring equipment, and blood pressure recorders.

A company that introduced its pain control equipment in the Mexican market lined up two distributors during the exhibition and, besides selling the equipment on display, projected future sales of $100,000. Some of the equipment had additional markets outside of the medical profession. A company showing highly automatic chemical analyzers believed there was a market in the Mexican police department. The Trade Center assisted in the contacts and a favorable sales lead was developed.

Several exhibitors were most interested in the visitors that came from Central America. Although these visitors were primarily distributors of medical equipment seeking new representations, two from Nicaragua were organizing a program of purchases for a new medical school in that country.

The exhibition confirmed much of the market intelligence developed for it. For example, most Mexican doctors are favorably oriented to U.S. equipment and technology. Also, a local representative is virtually indispensable as much of the equipment is sold through the complex channels of government agencies. Finally, although Mexico must be classified as a developing market and funds are limited, the decision-makers on sales are generally highly qualified specialists, well aware of the latest developments in their fields.

SOUTH OF THE BORDER—*At Mexico City U.S. Trade Center exhibition, Marvin M. Turkanis explains the services of his company in detail as a supplier of Cobalt 60.*

MICROWAVE TECHNOLOGY—*Charles L. Rudd (left), California Int'l Trade Corp., at U.S. Trade Center in Paris discusses product line with prospective Benelux representative.*

U.S. Firms At Microwave Products Show In Paris Find Strong Market

Demand for U.S. microwave equipment remains strong in France as demonstrated by the results of a recent exhibition at the U.S. Trade Center in Paris. More than 1,000 technical, military, and scientific visitors from France and Western Europe attended, and the representatives of the 69 exhibiting companies estimated $9.7 million in sales for the next 12 months as a result of the show.

It was the first presentation of microwave equipment at the Paris Center, and the first specifically microwave-oriented event to be held in France. It featured sophisticated electronic microwave components, test and measurement equipment, and satellite telecommunications equipment intended for telecommunications, aerospace, military, weather monitoring, and scientific applications.

Most of the exhibitors expect the French market for microwave products and systems to grow by 20 to 30 percent per year. The two main users of microwave equipment are the military (which uses 60 percent of the equipment), and the civilian sectors. U.S. manufacturers are said to control from 60 to 70 percent of both markets.

The military market is growing in part as a result of recent military assistance agreements between the French Government and Middle Eastern countries. The military buys equipment for export from French manufacturers who have incorporated sophisticated American-made components and subassemblies in their products. U.S. suppliers thus have a preponderant place on the French market.

The civilian sector consists principally of telecommunications applications, and is also expanding.

Microwave components and test and measurement equipment are reported to be the equipment sectors with best sales potential. The market for antennas is very specialized, and the market for circuits is growing moderately. American suppliers already control approximately 70 to 80 percent of the market for test equipment, and due to continuing technical innovation, demand for U.S. instruments (i.e., spectrum analyzers, synthetizers) is expected to remain strong.

Trade sources report that these U.S. products are recognized as being technologically sophisticated and superior, and that the United States should remain the leading supplier to the French market, in spite of the strong competition from Common Market and Japanese suppliers.

World Meeting On Offshore Oil Set For Norway, 1976

The International Federation of Automatic Control and the International Federation for Information Processing are jointly sponsoring a symposium on Automation in Offshore Oil Field Operation to be held in Bergen, Norway, June 14-17, 1976. The organizers expect about 500 specialists affiliated with the world's offshore and automation industry to attend. About 50 or 60 papers, discussing theoretical and practical problems within automation in the offshore industry, will be presented. Contact: Kaare Rosandhavg, Ship Research Institute of Norway, N 7034 Trondheim-NTH.

Vehicle Repair Needs In Spain Spark Show's U.S. Equipment Sales

Increasing opportunities for the sale of automotive repair and maintenance equipment in Spain were uncovered during the recent U.S. exhibition at the Barcelona Auto Show. The country's marked interest in vehicular maintenance is evident, as efforts to extend the useful life of a vehicle and reduce fuel consumption are becoming economically imperative.

Among the items in the U.S. exhibition was a machine—being displayed and demonstrated in Spain for the first time, and received with great interest—for on-the-spot bending and shaping of tubing for auto exhaust systems. Other products that were well received were body repair and pneumatic tools, and equipment for analyzing exhaust systems and emissions. Growing opportunities for the sale of pollution control equipment are prompted by Spain's realization that it must combat environmental contamination. The market for modern, specialized repair equipment, particularly labor-saving devices, is expected to expand as many of the small garage shops are being consolidated into large, better equipped centers.

The annual Barcelona automobile show is the single most important event for the automotive industry of Spain. Of this year's U.S. participants, five did not previously have commercial representation; but at the show's end, each was negotiating with potential representatives or had one or more under consideration. As reported in the May 26 *Commerce Today*, the ten U.S. exhibitors sold more than $403,000 worth of equipment, and the new-to-market firms expect some $2.6 million worth of business within the next year.

Canadian Dry Cleaners Invite U.S. Exhibitors

At the 1975 Canadian Launderers & Dry Cleaners Show, to be held in Toronto Oct. 3-5, leading U.S. firms will be exhibiting modern equipment, chemicals, accessories and modern business methods for every phase of laundry, drycleaning, coin-operated and automatic car wash establishments. The show, organized every four years, is being sponsored by the Canadian Cleaners & Launderers Allied Trades Association. Write: Jack McLean, Manager, Canadian Launderers & Dry Cleaners Show, 481 University Ave., Toronto, Ontario M5W 1A7; or phone collect, 416-595-1811, ext. 837 or 493.

Worldwide Business Outlook

Canada Approving Majority Of Foreign Takeover Bids

Canada has approved 72 foreign takeovers of Canadian firms and has rejected 15, registering an approval rate of 83 percent during the first year of operation of Phase I of the Foreign Investment Review Act. Seventeen applications have been withdrawn before a final ruling was made.

Under Phase I of the Act, which was implemented in mid-1974, the Foreign Investment Review Agency (FIRA) must approve any foreign proposal to acquire control of a Canadian firm having assets exceeding c$250,000 or annual sales of more than c$3 million. In an effort to speed up processing, the regulations were amended in April to permit takeover applicants to file an abbreviated application form with FIRA if the Canadian business to be absorbed has gross assets of less than c$2 million and fewer than 100 employees, and by excluding corporate reorganizations where there is, in effect, no change in control, but simply a reordering of the internal corporate arrangements within a single Canadian business enterprise.

Major role in economy

Canada has long been sensitive to the role of foreign capital. Foreign-controlled investment accounted for an estimated 34 percent of total long-term capital employed in Canada in non-financial enterprises at the end of 1974, with the United States accounting for 26 percent. In the manufacturing sector, foreign-controlled capital was estimated at 58 percent, U.S.-controlled at 44 percent; in the mining and smelting sector the figures for foreign control were 55 and 43 percent, respectively, and in petroleum and natural gas, 75 and 58 percent.

Under provisions of the Act, proposals are judged on the basis of their being "of significant benefit to Canada." The Act provides that the benefits to be derived from the foreign acquisition of control or (later under Phase II) the establishment of a new business in Canada will be judged on the basis of: (1) the effect on the level and nature of economic activity in Canada including employment, resource processing, the utilization of Canadian materials and services, and on exports; (2) the nature of anticipated participation by Canadians in the business or industry; (3) the effect on productivity, efficiency, technological development and product innovation and variety in Canada; (4) the effect of competition within any industry and (5) compatibility with national and provincial industrial and economic policies.

Foreign firms proposing to acquire a Canadian firm, or a foreign firm which has a Canadian subsidiary, must first make application to and subsequently be prepared to negotiate with the Foreign Investment Review Agency concerning the five points listed above on the proposal's potential benefit to Canada. Although FIRA does not involve itself in negotiations between the firms involved in a takeover, it is possible that a Canadian firm may use its knowledge of the review process to extract better terms from the acquiring company.

Although FIRA is required by terms of the Act to rule within 60 days after receiving an application, the negotiating process may take much longer. FIRA can extend the time frame by simply sending an applicant a "deficiency" notice requesting additional data which was not included in the original application. FIRA has not given a reason for turning down those applications which it has refused and has usually restricted its comments on successful applications to a checklist showing a summary of its assessment of factors which are of significant benefit to Canada.

In announcing its approval of the takeover by a British firm of an Ontario company engaged in the distribution and manufacture of wood products, however, FIRA stated that the acquisition would result in substantially increased investment, employment and sales, including a new export capability, and would support a major expansion of the Canadian company's forest industry operations which would create about 2,700 new jobs in Northwestern Ontario.

Swiss case provisions

In another case, a proposal by the wholly-owned Canadian subsidiary of a Swiss firm to acquire control of a manufacturer of electric motors, generators and traction propulsion equipment was allowed as being of significant benefit to Canada following the company's agreeing to: 1) extend the upper range of electric motors manufactured in Canada to 12,000 HP; 2) make available the parent company's expertise and technology; 3) develop engineering expertise and undertake R & D in the field of traction equipment in Canada; 4) allow all products from the Canadian plant to be sold on the world market and give to the Canadian plant exclusive manufacturing rights to the parent firm's traction motors and controls for sale in the North American market; 5) make a 30 percent public stock issue in Canada when market conditions, etc., are favorable. Further, capital expenditures on new equipment amounting to c$1.75 million are to be made within three years. Employment is expected to rise over the same period from approximately 650 to a level of about 1,000.

The data which an applicant is required to furnish under the Foreign Investment Review Act is very detailed, covering every aspect of the organization, financing and operation, past and planned, of the companies involved. Firms should plan on spending 10 to 30 days in preparing an application and it will probably be necessary to hire a Canadian counsel with experience in dealing with FIRA. Executive management will usually have to appear before FIRA at least once and may have to make several appearances to negotiate if the firm's original proposal should be judged deficient in potential benefits to Canada in one or more areas. It should be noted that FIRA can enforce the fulfillment of commitments regarding the investment of funds, purchase of capital equipment, additional hiring, reinvestment of profits, and so on, by forcing the parent company to divest itself of its newly acquired Canadian subsidiary if it does not meet the terms of its agreement with FIRA.

Cabinet has final word

While firms must make application to and negotiate with FIRA, it is the Canadian Cabinet which has the final word. Therefore, acceptance by FIRA does not insure that a proposal will be accepted. To date, however, the Cabinet has reversed a FIRA ruling in only one case, accepting a proposed takeover which had been disallowed, apparently after the government of the province concerned changed its opinion to favor the proposal. It is clear that the provinces have a very definite influence on the acceptance or rejection of takeover bids and will have a comparable influence on the consideration of proposals for new investment under Phase II of the Foreign Investment Review Act.

Phase II of the Act is expected to be implemented in the near future. At this time all foreign investment in new businesses, including additional investments by firms already established in Canada in lines unrelated to those already being carried on in Canada, will also be subject to review if the gross assets of the enterprise to be established exceed c$250,000 or if its gross revenues exceed c$3 million. The Minister of Industry, Trade and Commerce had hoped to commence the review of new foreign investments before the end of 1974, but the opposition of provincial authorities who fear that this

would scare off potential job-creating investors during a period of high unemployment has caused a delay. The Minister met with provincial trade and industry ministers in March to discuss guidelines for implementing Phase II which would be mutually acceptable, but no agreement was reached. Another attempt is anticipated shortly.

Canadians Institute Tariff, Tax Changes

As a result of the June budget presentation Canada has made certain tariff and tax changes of interest to U.S. exporters.

These changes, effective June 24, include the following: the duty-free treatment of aircraft and aircraft engines of types or sizes not made in Canada (tariff items 44043-1 and 44047-1) is extended for another year to June 30, 1976; the expiration date on the duty-free treatment of petroleum products falling under 26710-1 and 26901-1 to 26910-1 inclusive is extended from Oct. 23, 1975 to June 30, 1977; air-conditioners for mowing machines, harvesters, reapers, etc. (formerly 15 percent) are now included in 40916-1, which carries a duty-free rate; new items entered into the tariff at duty-free are 40919-1, "devices designed for measuring the moisture content of agricultural produce" (formerly 7.5 or 15 percent) and 50026-1, "hoops of wood for use in the repair of barrels" (formerly 15 percent); on gifts sent or brought into Canada personally by non-residents for friends (69005-1) the duty-free allowance is increased from $10 to $15 (on gifts valued at over $15 the duty will now be levied only on the amount exceeding $15); the 5 percent sales tax is removed on thermal insulation materials designed exclusively for insulation of buildings, on storm doors and storm windows for buildings, and on articles and materials for use exclusively in the manufacture or production of these products; and the excise tax imposed last fall on wine is reduced to its previous level.

Ontario Act Protects Consumers

Ontario's newest consumer protection legislation, The Business Practices Act of 1974, provides a "comprehensive code of ethics" for consumer transactions. The Act covers "false, misleading or deceptive consumer representation" to non-business consumers and includes direct mail and media advertising sales as well as regular sales through outlets and door-to-door methods. Detailed information may be obtained from the Business Practices Division, Ministry of Consumer and Corporate Affairs, 555 Yonge St., Toronto, Ontario M4Y 1Y7, phone 416-965-6477.

Coming Japanese Recovery Should Spur Import Activity

The economic picture in Japan shows signs of improving, according to the U.S. Embassy in Tokyo.

The rate of inflation, represented by the annual increase in the consumer price index, has been cut sharply over the past year (from 24 percent to 14.2 percent for the fiscal year ending March 31), and the longest, deepest economic slump in Japan's post-war history may be bottoming out. The annual spring labor offensive has ended with wage settlements which avoided adding new inflationary pressures to the economy (average increases of about 14 percent compared with 33 percent a year ago), clearing the way for an official inflation control target of a single-digit increase in the consumer price index during the fiscal year now under way.

The timing and speed of the recovery are not clear. Although government restrictions on credit were a major factor in the slowdown, the gradual easing of these restrictions does not appear to be generating a new surge of activity. Final demand remains weak and investment in new plant and equipment is slow. Officials look for a gradual recovery, beginning after mid-year, which will avoid new inflationary pressures and bottlenecks and land Japan on a path of moderate growth (in contrast with past phenomenal rates) by 1976 or 1977. The Ministry of International Trade and Industry (MITI) recently published an estimate of 2 percent real growth in this fiscal year, which may be near the mark if current tentative signs of an upturn continue through the July-September quarter.

For the longer term, some voices have been heard to question the official view that Japan will have to adopt a growth rate substantially lower than in the past (5-7 percent instead of 10-12 percent), and the Federation of Economic Organizations (Keidanren) has published a study which downplays the need or desirability for Japan to make a substantial shift of its industrial efforts away from high pollution or high energy cost areas, calling instead for the application of technology to solve these problems. The development of these discussions will bear watching; final decisions have by no means been made.

The long slow-down of business activity in Japan has depressed imports, including those from the United States, and this situation is likely to continue for some months although sales opportunities exist for U.S. suppliers in certain areas.

In the six months ending March 31 imports lagged markedly, especially those of raw materials and machinery for Japan's industries slowed by the recession. In part this has reflected a working off of excess domestic inventories which had accumulated as the economy went into recession a year ago. Imports of textile materials and lumber were first to be hit by declines and by the first quarter of 1975 had declined 31.3 percent and 36.8 percent respectively, from a year earlier. Nonferrous metal ore and other raw materials were down 25.9 percent and 16.5 percent, and chemicals dropped 28.9 percent from a year ago. Imports of foodstuffs and mineral fuels were up 25.5 percent and 30.1 percent respectively, largely reflecting price increases, and steel scrap imports rose 77.9 percent.

Japan's imports from the United States in January-March rose 8 percent from the first quarter of 1974 as against a 1.7 percent increase in imports from advanced areas as a whole; exports to the United States rose 7.8 percent compared with a 39.8 percent increase to advanced areas. U.S. figures show a bilateral trade deficit with Japan amounting to $735.5 million for the first four months of 1975 compared with a $285.5 million surplus in January-April 1974.

Some trade shifting

Some structural shifting of Japan's trade toward the developing areas continued into 1975, with exports to developing areas increasing to 48 percent of Japan's total exports (compared with 45 percent in January-October 1974) and imports holding a 53.4 percent share (compared with 54 percent). Exports to industrialized countries declined as a share of the total from 48 percent to 42.3 percent over the same period while imports remained at 41.9 percent. The U.S. share of Japan's exports slipped from 23 percent to 19.9 percent; the U.S. share of Japan's imports grew slightly, from 20 percent to 21.5 percent of the total.

Japan's long-term capital account has improved sharply since October. A surge of foreign purchases of Japanese securities since mid-January resulted in a $133 million net inflow of long-term capital in the first quarter, the first quarterly surplus on long-term capital account since April-June 1971 and a dramatic contrast to the net outflows of $1,045 million and $551 million recorded in the second and third quarters of 1974, respectively. Official reserves increased by some $1.0 billion during the October 1974-March 1975 period, and the value of the yen appreciated slightly after January, shifting from 300 yen per dollar to around 293 yen per dollar at the end of March.

In the six months ending March, U.S. agricultural exports to Japan totalled $1.87 billion, 0.4 percent above the same period last year. Quantities of the major items shipped declined somewhat; increased unit prices maintained the total value. Shipments are expected to decline further during April-September and prices are expected to fall somewhat, resulting in a decline in the value of U.S. agricultural exports to Japan. Prompted by concern over the tight world food supply situation, the Japanese Government has taken steps (increased price supports and investment) to increase Japan's domestic production targets for wheat and soybeans (up to 9 percent of total needs in each case). Beef imports, virtually prohibited since February, were to be resumed in June under a new price support and import quota system. While there is some tendency to seek greater diversification of sources of supply for vital raw materials, the United States remains by far Japan's most important and dependable supplier of agricultural products.

Demand for capital goods will remain soft until investment outlays pick up, but sales opportunities exist for selected types of equipment. Some areas revealed by successful recent U.S. promotions have included computers, pollution control instruments and equipment, hotel and restaurant equipment and analytical chemistry instrumentation.

Inflation has affected the price competitiveness of Japanese goods, and the experience of inflation and recession have also caused some shifting of comparative advantage in the Japanese marketplace. Opportunities may therefore open up for U.S. manufacturers in such areas as power generation equipment, process control instruments, marine equipment, automotive parts and equipment, numerical control machine tools, automatic assembly line and mechanical handling equipment, and building systems materials and hardware.

Gradual economic recovery will mean a revival of consumer spending as real income picks up, providing opportunities for increased U.S. sales in this area. Several successful promotions of U.S. consumer goods have recently been held in the U.S. Trade Center in Tokyo and in Japanese department stores. Several department stores have expressed interest in timing more promotions of this kind to coincide with the commemoration of the U.S. Bicentennial.

The Japanese Government continues to follow its schedule for liberalizing restrictions on foreign investment by allowing 100 percent foreign ownership of firms in a growing number of industries.

Eleven additional industries were completely liberalized on May 1, and should provide opportunities for further U.S. investment. They are: manufacture of meat products; tomato processing; feed manufacture; manufacture of processed foods for restaurants; manufacture and wholesaling of men's, women's and children's outerware and knit products; manufacture of pharmaceuticals and agricultural chemicals including medicines; manufacture of ferroalloys; manufacture of hydraulic equipment; electronic precision instruments (for medical and measuring use only); record manufacturing; and real estate.

FOR JAPANESE TECHNICIANS—*Several of these compact control and observation consoles were recently shipped by IMAGEX Inc. from the United States to Japanese tire manufacturers. They enable the operator to detect abnormalities in tire construction as the tire is rotated on a test stand which can be seen through the window in the X-ray chamber.*

Four remaining industries still restricted to 50 percent foreign ownership are scheduled for full liberalization by May 1976: computers, information processing, fruit juices, and manufacture of photographic film. In addition to the foregoing, the sector of retail sales has been removed from the list of five sectors which had been indefinitely postponed from liberalization; it was completely liberalized for 100 percent foreign investment effective June 1. This leaves four indefinitely postponed sectors: agriculture; forestry and fishing; petroleum and petroleum products; and leather and leather products.

MITI expects Japan's investment abroad to quadruple (from $10.27 billion to $45 billion) by 1980 and increase nine times (to $93.5 billion) by 1985. Much of this investment will of course be directed to developing countries, in arrangements designed to obtain secure supplies of raw materials, semi-manufactures and lower technology products. In addition, Japanese investment in the United States (an estimated $2 billion) can be expected to increase substantially in coming years after economic recovery gets under way.

Ecuador Bans Importation Of Many Motor Vehicles

Ecuador has banned the importation of a large variety of motor vehicles, effective from June 2 to Aug. 31. The following motor vehicles are affected: all passenger automobiles; 4-wheel-drive vehicles of the blazer type with a c.i.f. value of over $5,500; combined vehicles for passenger and cargo with either double-cabin or cargo box; passenger vehicles with 10 or more seats; and all cargo vehicles with a capacity of less than 1 ton.

Concurrently, the government has announced measures to restrict commercial credit.

According to the government, the ban is due to current serious problems of port congestion and customs administration. Declining foreign exchange reserves and a merchandise trade deficit this year may also have been contributing factors. It is not clear if imports of motor vehicles by government agencies are affected by the ban.

Competition Steps Up Efforts To Fill Nicaragua's Heavy Import Demand

The outlook for U.S. exporters in Nicaragua is mixed. Many excellent export opportunities will arise, and the total value of U.S. exports to Nicaragua in 1975 could very well show a significant increase over the exceptionally good year of 1974. However, Hendrik van den Berg, Commercial Officer at the U.S. Embassy in Managua, advises that U.S. exporters will have to be more aggressive in order to gain a larger share of Nicaraguan imports, since total import value is expected to remain almost constant during 1975.

The economy of Nicaragua has during the last two years experienced a very high rate of growth. The combination of high prices for record agricultural exports and the influx of official and private foreign capital led to a real economic growth rate of 11 percent during 1974. This vigorous economic growth in turn led to record imports, both from the United States and the rest of the world.

Nicaragua saw the total value of its exports in 1974 increase by 36 percent over 1973. However, the rapid rate of economic growth and the massive reconstruction program for the earthquake-damaged capital city of Managua caused an even larger increase in imports, which showed a 72 percent gain over 1973.

As was to be expected during 1974, the value of petroleum imports increased by 300 percent over 1973. But also notable were significant increases in imports of inputs into agriculture, construction materials, chemical products and durable consumer goods. The increase in agricultural output required a significant increase in inputs, such as fertilizers. In addition, fear of a worldwide shortage of fertilizers led to large-scale stockpiling. The reconstruction of Managua no doubt brought about the large increase in imports of construction materials and consumer durables such as household machinery and appliances. Large increases in real incomes of middle and upper classes also contributed to the rapid increase in imports of consumer durables such as automobiles and household appliances.

The United States exported $178.5 million worth of goods to Nicaragua in 1974, a 59 percent increase over 1973. However, the United States did lose some of its market share from 1973 to 1974. The U.S. share of total Nicaraguan imports, 34.3 percent in 1973, dropped to 31.8 percent in 1974. Of course, Venezuela's market share increased from 5.2 to 9.1 percent as the price of petroleum skyrocketed, but Western Europe increased its market share from 16.7 to 18.5 percent in direct competition with products from the United States.

Total imports by Nicaragua in 1975 are not expected to increase significantly over total 1974 value. Large stockpiles of fertilizer and certain steel products will reduce imports in these important categories. Furthermore, the economy of Nicaragua is not expected to grow as rapidly in 1975 as it did in 1974, and this will also tend to reduce demand.

The worldwide economic recession has affected Nicaragua largely through sharply declining prices for its principal exports: cotton, sugar and meat. Since agriculture is dominant in the economy, lower income in that sector has a depressing effect on the rest of the economy. A positive factor will be the continued inflow of foreign capital. As in the past two years, official foreign aid and private loans to the Nicaraguan Government will offset the large trade deficit expected for 1975. And use of these foreign funds for reconstruction of Managua, residential construction, road construction, industrial development and various social programs will again provide a strong economic stimulus. The real rate of growth of the Nicaraguan economy in 1975 will be well below the spectacular 11 percent of 1974; however, a respectable rate of 4 or 5 percent is still likely.

Share can be increased

Even though the total value of imports into Nicaragua is not likely to increase, there are nevertheless quite a few individual categories, discussed below, which will offer excellent opportunities for U.S. exporters. U.S. producers are quite competitive for the product categories which are expected to show healthy demand, and if U.S. exporters are sufficiently aggressive they should be able to increase their share of Nicaraguan imports, van den Berg continues.

Construction Equipment and Machinery: The construction sector showed incredible growth during 1974 as reconstruction of Managua progressed at a rapid pace. Construction activity is expected to remain at a high level in the near future. Much of the construction necessary to reestablish Managua as a functional city has been completed: roads and streets have been repaired and expanded, commercial establishments have been relocated, and much new housing has been built. Nevertheless, many projects remain to be carried out. Additional roads, streets, sewers, parks, wholesale markets, schools, medical facilities, offices and housing are planned by various government agencies in the Managua area. Most notable of the public projects is the $10-$15 million Social Security Hospital and continued expansion and improvement of the road and street system of the new, decentralized city of Managua. Additional private construction projects are also planned for Managua, the most notable of which are four hotel projects with a total of 450 first-class rooms.

There are construction projects projected for other parts of Nicaragua as well. A $9 million expansion of the Medical School and Hospital of the National University of Leon will get under way shortly, the $40 million expansion of the Port of Corinto will be started soon, and construction of warehousing and light manufacturing facilities in a newly-created free trade zone at the international airport outside Managua is slated to start later this year. A large road project and seaport expansion around the Puerto Cabezas region on the still-underdeveloped Caribbean coast is also expected to get under way in the not-too-distant future.

The government encouraged large-scale stockpiling of steel last year in order to ensure adequate supplies in the face of apparent world shortages; as a result very little steel needs to be imported this year. Large amounts of heavy construction machinery have also been imported over the last two years, and few additional units are needed to maintain the current high levels of construction activities. However, most other types of construction materials and tools will remain in high demand. The market for prefabricated buildings will also offer attractive opportunities for U.S. exporters.

Agricultural Machinery and Equipment: The agricultural sector will continue to provide a good market for U.S. exporters. Production of Nicaragua's main agricultural exports is dominated by large, efficient producers who use modern methods and machinery. As output continues to increase, and especially if prices for leading exports improve, purchases of imported agricultural machinery and equipment will continue to grow. Furthermore, the Nicaraguan Government is beginning to change its priorities in favor of agriculture. Most long-term opportunities for economic growth in Nicaragua are in one way or another linked to agriculture, and the government accordingly plans to step up aid to that sector. The government will be providing such infrastructural services as grain-drying and storage facilities, erosion-control projects, irrigation facilities, etc. U.S. suppliers of agricultural equipment and machinery enjoy a very good reputation in Nicaragua, and should be able to continue supplying the largest share of Nicaragua's imports of these products.

Hospital and Medical Equipment: U.S. exporters will have excellent opportunities to sell these products in Nicaragua during the next several years. The dual need

to replace facilities destroyed during the earthquake and to improve the generally deficient level of medical services will create a strong market for this equipment.

The 1972 earthquake destroyed 40 percent of the national hospital-bed capacity. Prior to the earthquake there were 5,000 beds or 2.5 beds per 1,000 inhabitants. At the end of 1974 there were still only 4,113 beds or 1.9 per 1,000 inhabitants. The situation is somewhat improved with the opening of several new small hospitals this year, but the beds per inhabitant ratio remains below what it was before the earthquake.

Recent studies have pointed out tremendous deficiencies in health service in Nicaragua. The hospitals and clinics that do exist are poorly equipped and run. There is an obvious need to expand and improve medical facilities, and this fact is being recognized by the Nicaraguan Government. Significant investments in medical facilities and accompanying equipment are certain to be carried out during the next few years.

In the immediate future two large projects stand out: construction of the 750-bed Social Security Hospital in Managua and expansion of the Medical School and Hospital of the National University in Leon. The latter involves an investment of $11 million, with over $2 million alone to be spent on hospital and medical equipment during the next three years. The Social Security Hospital in Managua will have about 500 beds and involve an investment between $10-$15 million, with about 10 percent of the total cost going to hospital and medical equipment.

Food Processing and Packaging Equipment: This industry will be expanding at a rapid rate in the near future. Local and foreign investors are seriously considering a number of projects for canning and freezing a variety of food products. Nicaragua produces many types of fruits and vegetables which could be canned and frozen, and availability of unused land and possibility of improving agricultural productivity will assure adequate supplies of raw materials for food processing plants. Such processed foods could be readily marketed in Nicaragua and throughout the CACM, and some types of processed foods, such as tropical fruits and tomatoes, could be marketed in some developed countries. Most food processing and packaging plants to be established in Nicaragua will be small operations, and they will require appropriately-scaled equipment. However, there is one plan for a large tomato-canning plant which would represent an investment of U.S. $10 million. In addition, high prices of sugar have encouraged increased production, and availability of ample grazing land will encourage long-term increases in beef and dairy herds. The increase in availability of these raw materials will no doubt induce investment in sugar processing facilities and meat packing and dairy plants.

OPPORTUNITIES IN NICARAGUA—*Many types of franchise operations could operate successfully in Nicaragua. Above, one of the few franchise outlets already there.*

Transportation Equipment: Nicaragua imports virtually all of its transportation equipment, including private automobiles, trucks, and public transport equipment. Of course, demand for American automobiles depends largely on performance of the Nicaraguan economy and growth of income. At the same time, however, American automobile suppliers should be able to increase their small market share; the change in the value of the dollar makes American cars price-competitive, and Nicaraguan consumers are becoming more aware of the fact that the United States also produces attractive small and economical automobiles. U.S. manufacturers should exert a greater sales effort to sell their smaller, inexpensive models in Nicaragua.

Inter-city public transportation is poor and urban transportation, especially in newly-decentralized Managua, is in a terrible state. However, there are plans to significantly upgrade bus service. An initial purchase of about 100 new city buses for Managua will be made in 1975, with additional units to be purchased over the next few years.

Franchising: This is a special area where opportunity for U.S. exports presents itself. Establishment of American franchises in Nicaragua would not involve transfer of any significant amount of U.S. capital abroad, but would lead to increased exports, not only during initial establishment but also during subsequent operation. Currently there are only a few franchises operating in Nicaragua, but conditions appear to favor their establishment: 1) recent economic growth has given more Nicaraguans the means to patronize many types of franchise establishments; 2) Nicaraguan consumers have traditionally favored American and American-style products; 3) many of the new shopping centers now being built in newly-decentralized Managua could accommodate franchise-type establishments; and 4) Nicaraguan businessmen have shown interest in the advantages offered by acquiring a franchise as opposed to establishing and operating an independent enterprise. Franchising opportunities look especially attractive in the food service, automobile service, tourist and retail sectors.

Commercial relations between Nicaragua and the United States have traditionally been very good. Nicaraguans, when given the choice, have almost invariably preferred to purchase American goods as their quality is felt to be generally superior. The proximity of the United States to Nicaragua also makes transportation of American goods quicker and cheaper. With recent changes in the value of the dollar, this has made American goods generally price-competitive as well. However, with the worldwide recession the competition among exporting countries has intensified, and Japanese, Western Europe and other Latin American producers are working hard to improve sales in Nicaragua. U.S. producers should nevertheless be able to take advantage of the export opportunities open to them in Nicaragua.

U.S. Sales To Australia Hold Up Well In Face Of Restrictions On Imports

As a result of a downturn by the Australian economy in mid-1974 and record imports during that year, the Australian Government has imposed restraints on selected imports believed to be causing unemployment in certain domestic industries. During recent months rates of duty have been increased or quotas introduced on a considerable number of commodities. With a 12 percent devaluation of the Australian dollar in September, these economic developments resulted in a decline in imports during the final quarter of 1974, according to Nancy H. Keely of Commerce's Office of International Marketing.

Evidence of the extent to which U.S. exports have been affected is inconclusive. However, reports indicate that during the initial period the restraints made only a moderate impact on U.S. exports, other than textiles. A recent study reveals that of the cases in which action has been taken or is pending (as of May), only six involved Australian imports from the United States having a value exceeding US$1.5 million in fiscal 1974. These six categories involved a total of about $28 million in value. (These statistics do not include data relating to consumer electronics equipment, which could involve substantial U.S. exports.)

Departure from policy

The decision to impose import restrictions marked a strong departure from Australia's trade policy of recent years. Import licensing restrictions were largely abolished in the early sixties and, until recently, only three categories of goods remained subject to import controls on entry into Australia.

Among the more far-reaching tariff quotas imposed are those pertaining to textiles. The government has decreed that importers will be permitted to bring into the country under quota yarns, foundation garments, certain fabrics and many articles of apparel to be dutiable under the rates applicable on Dec. 9, 1974; amounts of goods exceeding these quotas will be dutiable at higher rates. The quota available to individual importers will be based on the level of their imports from July 1, 1972-Sept. 30, 1974. The tariff quotas will be valid for up to two years, with a review scheduled after the first year. Imposition of these quotas will be primarily of interest to U.S. exporters of certain man-made fiber textile products, especially exporters of acrylic yarns for apparel.

U.S. exports of textiles and apparel to Australia in 1974 were valued at $87 million. It is estimated that 30-40 percent of these exports were in categories affected by the quotas.

Products other than those in the textile sector which are under tariff quotas include electric refrigerators, clothes dryers, washing machines, and precision ground steel ball bearings. Other items of particular interest to the United States and which are either under quota restrictions or are dutiable under increased general duty rates include injection molding machines and motor vehicle tires; items listed in a pending status include wrenches, slide and movie projectors, certain sporting goods, resilient floor coverings, air-conditioners and evaporative aircoolers, syringes and needles, pressure-sensitive materials, frozen potato products, table and kitchen glassware, and flat glass.

The Australian Government in considering a possible restrictive action will reportedly take into account the views of trading partners before reaching a final decision. Requests for new or increased protection against imports of processed or manufactured goods are directed initially to the Department of Manufacturing Industry (DMI). Following a screening process, DMI publicly announces those cases which it will consider for increased protection and invites "interested parties" to submit views. Based on the outcome of DMI's study of the request and submissions by interested parties, the case is forwarded to the Temporary Assistance Authority (TAA) or to the Textiles Authority (TA), as appropriate, for inquiry and recommendations to the Cabinet. Although it is not necessary for interested parties to resubmit views previously presented to DMI, they may at this stage submit additional evidence. This, however, must be done within the deadlines for the TAA and TA studies, which are 30 days and 60 days, respectively.

Commerce's Office of Trade Policy is making an effort to notify U.S. firms which might wish, as interested parties, to submit comments to the Australian Government.

The United States Government has expressed its concern regarding the restrictive actions taken by the Australian Government, particularly as the adoption of such measures could set in motion a sequential retaliatory process in which every country loses and the world trading system is badly damaged. It is hoped that the measures already taken will soon be withdrawn and that there will be no further imposition of such actions.

The United States has also been supporting moves within the context of the General Agreement on Tariffs and Trade (GATT), the Multilateral Fibers Agreement, and the OECD to examine the Australian action.

Australian officials have reaffirmed the view that the recent restrictive measures are of a temporary emergency nature designed to alleviate the problems caused by an extraordinary import surge and the decline in economic activity. They have also reaffirmed the Australian Government's commitment to progressive trade liberalization and to a continuing process of industrial restructuring.

Besides the imposition of import restrictions, the Australian Government has taken a number of other measures to curb the downward trend of the economy. These include higher spending, tax reduction, liberalization of restrictions on domestic credit and on the inflow of foreign funds, and currency devaluation. Some results of these measures are now appearing in the form of a slower rise in unemployment, revival of consumer demand, and flattening out of the downtrend in residential construction. These encouraging indications may be the first signs of longer-term recovery. The Associated Chambers of Manufacturers and the Bank of New South Wales recently conducted a survey of more than 300 Australian manufacturing firms. Of these, at least half indicated that they were hopeful of a strengthening of the economy later this year.

The Australian consumer market was recently reviewed in considerable detail by the American Consulate General in Sydney. As a result of this survey, nine reports were prepared covering the following fields: domestic appliances, cosmetics and toiletries, jewelry and watches, clothing and shoes, toys and games, recreation vehicles and boats, sports equipment, pharmaceutical and drug store items, and alcoholic beverages and tobacco products. These reports are available for $10 each, from the National Technical Information Service, U.S. Department of Commerce, Springfield, Virginia 22151.

Argentina Sets Import Rules

The Government of Argentina has established import regulations for the period July-December. Under regulation 693, implemented May 27, Argentina will seek to keep 1975 imports at a level equal to the 1973 import level plus 12 percent.

Argentine importers on record in 1973 have been invited to make one sworn import application by BTN tariff numbers with volumes not to exceed the above limitations. This import application should only include merchandise which will receive customs clearance prior to Jan. 1, 1976. Importers with no imports during 1973, or who did not import enough in 1973 to fulfill 1975 requirements, should report their situation in the sworn application.

International Business Reports

The Assault on World Poverty. Published by the Johns Hopkins University Press for the World Bank. 425pp. $17.50 cloth, $5.95 paper.

In his preface, World Bank President Robert S. McNamara says: "Among our century's most urgent problems is the wholly unacceptable poverty that blights the lives of some 2,000 million people in the more than 100 countries of the developing world. Of these 2,000 million, nearly 800 million are caught up in what can only be termed absolute poverty—a condition of life so limited as to prevent realization of the potential of the genes with which they were born; a condition of life so degrading as to be an insult to human dignity."

This book analyzes the causes of that poverty, examines ways in which it can be alleviated, and outlines programs through which the World Bank plans to help.

Write: International Bank for Reconstruction and Development, 1818 H St., NW., Washington, D.C. 20433.

Japanese Manners & Ethics in Business. By Boye De Mente. 1975. 159pp. $8.

Revised edition of a book first published in January 1961. Can be helpful in developing an understanding of the human relations aspects of doing business in Japan.

Write: Phoenix Books, 1641 E. McClellan Blvd., Phoenix, Ariz. 85016.

Oceanborne Foreign Trade: Lifeblood of the Port. Published by the Port Authority of New York and New Jersey. 48pp. Free.

Every state in the continental United States ships exports and receives imports through the New York-New Jersey port. The value of the Port's general cargo imports and exports is more than twice that of any other port, according to this publication. Contains analyses of where the Port's imports and exports originate and are marketed, and describes how the foreign commerce moves inland, including a survey of modes of transportation for both imports and exports.

Write: Planning and Development Department, The Port Authority of New York and New Jersey, One World Trade Center, 72E, New York, N.Y. 10048.

Exporting to the United States. Published by the U.S. Customs Service, Department of the Treasury. Stock number 048-002-00047. 98pp. $1.70.

This booklet has been prepared primarily for the information and assistance of those who plan to export to the United States. The volume and complexity of imports into this country necessitates that certain definite procedures be followed, and those who import into the United States must have the cooperation of the exporter in order to follow the necessary procedures. In addition, there are some requirements, such as those relating to marking and preparation of invoices, which must be met by the exporter himself. This booklet outlines the procedures.

Write: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Latin American Travel Guide & Pan American Highway Guide. By Ernst A. Jahn. 256pp. $9.70 airmail.

Contains information pertaining to visa and vaccination requirements; currency exchange rates; climatic conditions; hotels and restaurants; car rentals; banks; banking and business hours; legal holidays; travel bureaus; communications and telex data; weights and measures conversion tables; electric current and measuring systems; insurance; driving time between cities and daily driving averages; gasoline prices, octane ratings; average daily food expenses; U.S. and Latin American information sources; and airline, bus and train timetables and prices.

Write: Compsco Publishing Co., 663 Fifth Ave., New York, N.Y. 10022.

Buvoha Trade Letter 1975. Published by the Commercial Intelligence Office of the Netherlands Society for Industry and Trade, Amsterdam. 45pp. Free.

Contains names and addresses of industrial and commercial enterprises in the Netherlands interested in business connections with companies abroad. Includes manufacturers, exporters and export agents, importers, commission agents, steamship companies, ship brokers, banks, and publishers of trade publications.

Write: The Commercial Intelligence Office, Dept. 'Buvoha Trade Letter', Amsterdam-1001 (Holland), 16 Oudebrugsteeg.

Country "Updates" and Subscription Service. Overseas Business Associates.

"Updates" include information that can be helpful to families assigned to a new country: background data, entry papers and customs regulations, warnings, currency, transportation, clothes, language, customs and courtesies, household pointers, schools, health and medical care, leisure activities. Currently available for Belgium, Brazil, Egypt, Iran, Japan, Lebanon and Saudi Arabia, and will soon be available for Indonesia and Kuwait.

The subscription service, updated three times a year, contains information sources and reading lists for the country of assignment.

Write: Overseas Briefing Associates, 201 East 36th St., New York, N.Y. 10016.

A System of International Comparisons of Gross Product and Purchasing Power. Published by Johns Hopkins University Press for the United Nations Statistical Office and the World Bank. 294pp. $20 cloth, $7.50 paper.

Describes a computer-based method for making true inter-country comparisons of income and purchasing power. Both the methodology employed and results of its application to 10 selected countries—rich and poor, with both centrally planned and market economies—are considered. Two general findings of this first phase of the United Nations International Comparison Project are that: 1) Differences in real purchasing power between high and low income countries—while still great—are less than had been generally believed; 2) traditional methods based on exchange rates result in progressively higher degrees of overestimation of gross domestic product as the level of affluence rises.

Write: International Bank for Reconstruction and Development, 1818 H St., NW., Washington, D.C. 20433.

Calendar For World Traders

Aug. 4—Springfield, Mo.—Paul Mueller Co. international conference. Commerce's Ivan Cosimi will discuss the Trade Center Program.

Aug. 10-12—Bryce Mountain, Va.—Seminar on Selling Telecommunications in the Middle East. Moderator: Thomas Z. Corless, Director of Telecommunications, Bureau of Domestic Commerce. For information, Institute of Technological Assessments, 703-536-2144.

Aug. 18-21—Quebec City, Canada—Seminars on Trading With the People's Republic of China and Doing Business With Venezuela, Quebec Hilton. Sponsor: American Management Associations. Commerce's William W. Clarke, Director of PRC Affairs in the Bureau of East-West Trade, will speak at the China seminar.

Sept. 3-5—New York—AMA seminars on trade and investment prospects in Japan, Taiwan and Korea. Speakers will include Commerce's Thomas Welch and C. Melvin Sonne.

Sept. 8-10—New York — Seminar on Marine Cargo Insurance, World Trade Institute.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

NIGERIA—Firm wants to be an agent or distributor for U.S. firms. Products of primary interest include **floor and ceiling tiles; automotive parts and accessories, including batteries; dry milk and clothing.** U.S. firm should be willing to consider eventual manufacturing of the products in Nigeria on joint venture basis. Name and address of person to contact for additional information available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75473. OPIC.

2511, 3272—UNITED KINGDOM—Company interested in licensing arrangements to manufacture and market **garden and leisure furniture.** Presently manufactures garden furniture, tea trolleys, wheelbarrows, rotary air driers and sundry hardware items. Company exports to European countries garden furniture and tea trolleys and imports some items of outdoor furniture. Total staff is 55 with 3 salesmen. C. B. Dorrington, Managing Director, 20th Century Hardware Ltd., Caxton Way Industrial Estate, Thetford, Norfolk IP24 3SG, England. P-75467.

2542—GERMANY—Firm seeks cross licensing arrangement for manufacture of **storage and warehouse equipment.** Is interested in producing **storage racks of novel engineering and design, flat wood and/or plastic pallets, transport containers, storage containers and bins** for distribution in Common Market. Company is also interested in marketing its product line in U.S. Employs 150, maintains a sales network throughout Western Germany and EEC. Enjoys excellent business reputation. Peter Bittmann, Manager, BITO Lagertechnik Bittmann, D-6580 Idar-Oberstein/Weierbach. Telephone: 06784-591. P-75451.

3079—UNITED KINGDOM—Seeks licenses to manufacture **moldings used in radio, television, electronics, automobile, computers, pyrotechnics and medical packaging.** Established in 1934, firm manufactures precision plastics, employs 300, has annual sales of $3.3 million. Alan G. Raggett, Joint Managing Director, Enalon Plastics Ltd., Drayton Road, Tonbridge, Kent, England. P-75457.

3400—UNITED KINGDOM—TRW Clifford Ltd., wholly owned subsidiary of TRW, Inc., of Cleveland, seeks manufacturing licenses for range of products including **filters, strainers, centralizers, scratchers, pressure relief valves, mechanical seals, rupture discs, special industrial fasteners.** Company presently manufactures steering wheels, automotive brake shoes, aircraft fasteners. Employs 1,100. G. B. Simmons, TRW Clifford Ltd., Du Pont House, 101 Vaughan Way, Leicester LE14SA, England. P-75469.

3500—UNITED KINGDOM—Seeks license to manufacture **products in medium/heavy engineering class which have high technological content and not less than 50 to 60 percent added value from machinery and labor.** Firm presently designs and produces web fed machinery for cutting, creasing, coating, folding and printing such materials as paper, board, foil and laminates. In addition, company has made special purpose machinery such as paper making equipment, heavy duty gear boxes and rolling mill equipment. It employs 1,190 and is part of a major group. David Burns, Managing Director, Strachan & Henshaw Ltd., Speedwell, Bristol B55 7UZ, England. P-75461.

3523—GERMANY—Manufacturer and distributor of agricultural machinery is interested in expanding its product line. Seeks licenses to make "new to market" **products in agricultural field** offering good sales potential on European markets. Firm operates modern plant and warehouse facilities, employs 170. Clemens Blanke, Manager, Maschinenfabrik Kemper GmbH, 4424 Stadtlohn, Postfach 380. P-75456.

3533—UNITED KINGDOM — Seeks joint venture or license to manufacture **expendable equipment associated with offshore oil industry such as oil tools.** Also interested in **general industrial machinery or machine tools.** British concern produces industrial clutches and brakes, general industrial machinery, power presses and printing machinery. Employs 430, is member of a major group. A. Wilkinson, Sales Director, Matrix Engineering Ltd., East Mill Road, Brechin DD9 7EP, Scotland. P-75460.

3551—GERMANY—Seeks license to manufacture machinery and systems for packaging following: **deep frozen food and prepared food for catering industry; sweets and biscuits; washing powders (packages over 10 lb).** Firm has special interest in new developments in packaging of frozen food in boxes, multiple packaging of bottles and cans and blister packaging. Company is important manufacturer of paperboard folding boxes, food containers, paper bags and related products. Large portion of its output is exported. It employs 1,500, is part of large holding company. Wolfgang Thiel, 4 P Nicolaus Kempten GmbH, D-89 Kempten/Allgaeu, Ulmer Strasse 18, Postfach 2050. WTDR. P-75455.

3551—JAPAN—Major firm seeks licenses to manufacture and market advanced machines for **defrosting frozen foods, meat-bone separators for food industry and materials handling systems for collecting, sorting and distributing foods.** Japanese company is a leading shipbuilder; it also produces fabricated steel structures, marine engines, forgings and industrial machinery. Firm wants to diversify product line and is interested in obtaining technology for products listed. Concern reports annual sales of around $860 million, it has excellent reputation. Shiro Tsuchiya, Manager of R&D, Machinery Department, Hitachi Shipbuilding & Engineering Co., Ltd., 5-4, Sakurajima Kitano-cho, Konohana-ku, Osaka 554. P-75454.

3551—SUDAN—Firm wants to acquire **machinery used in packaging milk, orange, etc. in paper containers.** Production rate is estimated at 12,000 containers per day. Name and address of person to contact for additional details available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75471. OPIC.

3561, 3563—UNITED KINGDOM—Large private engineering company wishes to diversify its product range by entering into manufacturing license agreements for **small pumps, compressors, valves and similar products.** Company manufactures industrial gas turbines, gas turbine generators, gas, steam and turbocharger blades. Comprehensive engineering, tooling and metallurgical facilities available. Sells extensively in Europe, has agencies in all major European countries. Employs over 1,000 in three modern equipped factories. Tom Woodward, Commercial Manager, Centrax Ltd., Shaldon Road, Newton Abbott TQ124SO, England. P-75470.

3568, 3585—UNITED KINGDOM—Seeks licenses to manufacture **distillation trays for petrochemical industry; medium/large diameter flexible couplings in stainless steel for petrochemical plant pipework and trunking; industrial refrigeration or air conditioning equipment; and radioactive liquid waste treatment apparatus.** Firm produces air cooled heat exchangers, waste heat boilers, steel tubes and iron castings, wants to diversify into related area. Also specializes in design and manufacture of extended surface heat exchangers for petrochemical, marine and power generation industries. Employs 800. J. McKillup, Assistant to Managing Director, E. Green & Son Ltd., Wakefield WF1 5PF, England. P-75452.

3585—GERMANY—Seeks licenses to produce **practical solar energy devices for heating homes and swimming pools.** Firm presently in installation of heating, electrical and bathroom equipment. Is establishing branch operation in Spain. Good reputation. Mr. Weinberg, Hans Breckenfelder & Co., Friedhofstr. 26, Postfach 3266, 285 Bremerhaven-Lehe. P-75466.

3589—AUSTRIA—Seeks license to produce **reverse osmosis water purification systems.** Firm is a leader in water conditioners for domestic and industrial use. Also active in waste water reclamation. Exports to countries in Europe, Asia and Africa. Dr. Josef Dobias, Chief Chemical Engineer, Bran & Luebbe Wasseraufbereitungstechnik GmbH, Muenchner Bundesstrasse 192, A-5020 Salzburg. P-75459. U.S. firms may wish to send copies of correspondence to U.S. Embassy, 1X Boltzmanngasse 16, A-1091, Vienna.

3600—UNITED KINGDOM—Seeks license to produce **electrical equipment used in processing and construction industries.** Company manufactures and distributes vibratory motors, electrical control gear, looms and panels. Also operates electrical contracting division. Employs 154, reports annual sales of $2.3 million. H. C. Ryan, Chairman, Grantham Electrical Engineering Co., Ltd., Harlaxton Road, Grantham NG31, 7SF, England. P-75463.

3612—UNITED KINGDOM—Manufacturer of specialty transformers for use with electronic controls seeks licenses in **transformer**

field with U.S. company of similar size. Example of British firm's interest is 240 v.-12 v. range stepdown transformer. Company employs 200, has annual sales of nearly $1 million and markets in EEC. L. J. Dolamore, General Manager, B. G. M. Engineering Ltd., 22 Arnside Road, Waterlooville, Hants PO7 7UP, England. Telephone, Waterlooville 54461; telex, 86700. P-75462.

3621—BRAZIL—Seeks license to manufacture **mill type motors** designed for overhead traveling cranes operating in steel mills under maximum utilization conditions. Firm produces light overhead traveling cranes, construction and gantry cranes for power facilities. Wants to expand product line. Employs over 650, operates plant in Araras, about 120 miles from Sao Paulo. Roberto Fuganholi, Technical Department, Torque S.A., Caixa Postal 6478, 01000 Sao Paulo, S.P. WTDR. P-75453. OPIC.

3660—UNITED KINGDOM—Small manufacturer of **waveguide components, antennas, coaxial components, stripline and microwave systems seeks license to make related products.** Firm employs 30, reports annual sales of $230,000. D. W. Ford, Managing Director, Southern Microwave Laboratories Ltd., Church Road, Hayling Island, Hampshire, England. P-75465.

3662—UNITED KINGDOM—Major firm seeks licenses to produce **cable television equipment.** Company is part of large EMI Ltd. Group which is engaged in diversified operations. Activities include manufacture of phonograph records and electronic components; film production and distribution; music publishing; TV station operation; hotel ownership and live theater entertainment. Organization employs around 47,000, reports annual sales of $933 million. K. Snowden, UK Sales Manager, EMI Telecommunications Ltd., 252 Blyth Road, Hayes, Middlesex, England. WTDR. P-75464.

3679—UNITED KINGDOM—Large manufacturer of electronic and electro-mechanical components for aircraft radar computers, television and recording equipment seeks license. Wants to produce **electrical and electronic components.** Firm's main products are electrical switches, resistors and television turners. Employs 2,800, annual sales of $28 million. D. M. Embrey, Technical Director, A. B. Electronic Components Ltd., Abercynon, Glamorgan, Wales. WTDR. P-75458.

3728—UNITED KINGDOM — Company manufacturing **aircraft hydraulic components** including pressure reduction valves, non-return valves, selector valves, pressure relief valves is interested in licensing and/or joint venture arrangement to make products related to present lines. Firm established 1939, employs 50, annual sales $400 000. Well connected throughout UK/European aerospace industries. D. S. Wheeler, Sales Manager, Neetertec Ltd., Byfield Place, South Berstead Industrial Estate, Bognor Regis, Sussex PO22 0QY, England. P-75468.

7392—PHILIPPINES — Affiliate of Australian company seeks joint venture or licensing partner to establish **business tour office.** Services to be provided include (a) provision of guidelines on economic, social, investment and political climate in Philippines; (b) economic analysis of different industries; (c) introduction to business associations, societies and government agencies for discussions of investment opportunities; (d) services in area of executive recruitment, market, financial and other functional studies to determine feasibility of specific projects; (e) services to provide staffing, secretarial and office requirements; (f) provision of contacts with leading local firms for joint venture and investment possibilities; (g) provision of contacts with local and foreign financial, investment and banking institutions. L. J. Dominguez, President, John Clements Consultants, Inc., 506 AIU Bldg., Ayala Ave., Makati, Rizal, Philippines, P75472. OPIC.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248) referring to appropriate file number.

FRANCE—Small French importer of phosphates and chemicals for peeling fruits and vegetables is interested in licensing its **chemical peeling process.** File 2780

GERMANY—Manufacturer of storage and warehousing equipment wishes to set up a cross-licensing arrangement with a U.S. firm for production of **storage racks and containers, flat wooden and/or plastic pallets, transport containers, bins, and toteboxes,** all of novel design. File 2781

GERMANY — Manufacturer of **injection molding machines** for processing thermoplastics, thermosets, and plastic rubbers seeks U.S. licensee for production of this machinery. Line includes toggle machines with capacities of up to 100 tons and hydraulic lock machines with capacities of up to 1,200 tons. File 2782.

SWITZERLAND—Large company producing variety of items wishes to have its **pneumatic flaying knives** manufactured under license in U.S. These knives are used in slaughterhouses and meatpacking plants. They are light in weight and do not produce vibration or excessive noise. Proposal includes auxiliary equipment such as blade sharpening and suspension devices. File 2783

UNITED KINGDOM—Small producer of **electric storage boilers and solar heat collectors** seeks a U.S. licensee to manufacture this equipment. File 2784

SWITZERLAND—License for manufacture in U.S. of **equipment for waste water treatment plants** is being offered by highly specialized Swiss engineering and design firm. Equipment consists of automatic sludge suction collector, automatic scraper trolley, and grabbing screen. System provides savings of 10 to 20 percent in materials costs alone by utilizing flat-bottom instead of specially shaped basins for collection of deposits. File 2592-R

Thailand Opens New Investment Office

U.S. companies considering investment in Thailand may wish to utilize the services offered by the recently established Thai investment office in New York. The office is prepared to provide guidance and information on investment in Thailand, assist American companies in implementing their projects and supply information on specific investment opportunities. Also, the office can furnish prospective investors with a list of industries eligible for promotion incentives, identify investment promotion zones, and introduce U.S. investors to potential Thai partners. For further information write: Somphong Wanapha, Chief Representative, Office of Thailand Board of Investment, Five World Trade Center, Suite 3443, New York, N.Y. 10048.

India Research Unit Seeks Water Resources Equipment

India's Central Water & Power Research Station (CWPRS), a national organization advising the government of India, various states, port and harbour authorities etc,, acting as an advisory body for development of India's national water resources and inland transport, is in the market to obtain modern equipment and components for its needs in practically all fields concerning hydraulics, hydrodynamics and structures. A list of the equipment CWPRS will procure is available from the U.S. Department of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230 (202-967-2251). Interested U.S. suppliers should send catalogs, technical literature and approximate prices and delivery schedules of their instruments to: Central Water & Power Research Station (CWPRS), Khadakwasla Research Station, Poona 411 024, India. Attn: Project Director, UNDP Project CERC & DOHI.

Laboratory Equipment Sought By Brazilian Organization

The Brazilian organization CEPED is setting up and equipping many new laboratories and seeks U.S. suppliers for scientific equipment and instruments.

CEPED—Centro de Pesquisas e Desenvolvimento (Research & Development Center)—is part of the Bahia State Secretariat of Planning, Science & Technology.

Interested companies should forward catalogues, price quotations, specifications and other information directly to Dr. Irundi Edelweiss, Centro de Pesquisas e Desenvolvimento (CEPED), Rua Rio Sao Francisco, 1-Monte Serrat, 40000 Salvador-Bahia, Brazil. A list of items CEPED wishes to purchase is available from U.S. Department of Commerce, Trade Opportunities Program, Rm. 2321, Washington, D.C. 20230, 202-967-2251.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (●) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Highway and street construction

● **16100—PANAMA**—Tender for construction of 22.2 kilometer road, including grading, fill, drain pipe, culverts, bridges, base material and asphalt paving. Route is from La Pintada to Toabre of Cocle Province. Estimated value is $8 million. Financed in part by Inter-American Development Bank. Interested firms must present certification of technical and financial qualifications prior to bid opening, in accordance with "Pliego de Bases y Condiciones Especificas." Bid documents obtainable in person or through local representative at Ministerio de Obras Publicas, Calle 50 y Calle 88, San Francisco, Edificio de la Duana del Ministerio de Hacienda y Tesoro, Panama. Tender identification is M-B-3-75. Cost of bid documents is $200 (by certified check payable to "Ministerio de Obras Publicas III Programa MOP-BID, Fondo Rotativo"), 80 percent refundable to bidders only who return documents within 45 days of bid opening, which is Aug. 20.

● **16100—SYRIA**—Tender for Phase I (tender number 5268) of road around old walled city of Damascus. Project documents, details and plans obtainable upon payment of L.S. 500 (L.S. 3.65=US$1.00) from Municipality of Damascus. Tender bond is 1 percent of tender price. Necessary to quote unit and total prices and to detail similar works with references. Execution period is 600 days. Delay penalty of one per thousand per day will be charged. Successful tenderer may be advanced 15 percent of contract price against corresponding guarantee. Temporary admission of equipment is allowed. Offers should be submitted in Arabic and payment made in Syrian pounds. Bid deadline Aug. 5.

● **16100—UNITED ARAB EMIRATES**—Ministry of Public Works invites suitably experienced contractors to tender for construction of Sharjah-Ras Al-Kahaimah (second carriageway). Tender documents for project (55/B/1/75) may be obtained from Public Works, P.O. Box 88, Abu Dhabi, U.A.E., or P.O. Box 1828, Dubai, U.A.E., for non-refundable fee of Dh. 5,000. Completed tenders should be accompanied by tender bank guarantee valid for 90 days for Dh. 1,000,000. Successful tenderer shall be required to provide 10 percent performance bond valid for contract period. Completed tenders should be submitted in three copies, duly signed and stamped by contractor together with all tender documents and drawings including required tender bank guarantee. Tenders due by Aug. 3 at Ministry of Planning, Permanent Projects Committee, Abu Dhabi, behind Al Khubarah Place Building No. 13. Financing will come from United Arab Emirates Development Budget.

Heavy construction

● **16200—ECUADOR**—Ecuadorean Electrification Institute (INECEL) has called for bids for construction work needed in conjunction with Pisayambo Electrification Project, under following contracts: P-7-3 civil engineering work for impounding and canalization of Talalag River; P-7-4 civil engineering work for impounding and canalization of Agualongopungo and Quilopacha Rivers. Financed by National Electrification Funds. Companies bidding must comply with terms and conditions specified in invitations for bids and calls for competitive offers issued by Central Government. Qualification documents and bidding conditions must be obtained (in Spanish) at Comite de Licitaciones, Instituto Ecuatoriano de Electrificacion (INECEL), Avenida 10 de Agosto 1820, Quito, for non-refundable U.S.$40. Documents must be presented in person to INECEL by Aug. 20. INECEL reserves right to declare call for bids null and void if offers not considered adequate.

● **16200—MOROCCO** — Tender for study, construction, assembly, and putting into operation of sugar mill at Ksar El Kebir in Loukos area. Raw material is sugar beet. Bids will be on turnkey contract basis. Financed by Moroccan State Investment Budget. Complete bidding file may be obtained, free of charge, from Ministere du Commerce, de l'Industrie, des Mines et de la Marine Marchande, Direction de l'Industrie, Rabat. Bidders must conform to all provisions of bidding file. Bid deadline Sept. 15. Correspondence in French preferred.

Converted paper, paperboard products

● **26400—ETHIOPIA**—State Trading Corporation, Ethiopian Import-Export Corp., P.O. Box 1897 (Telex 21041), Addis Ababa, requires following types and quantities of tablets and pads: A. 38,900 gross, made of white wood-free writing paper in substance of 50-55 grams/m², in varying numbers of leaves; B. 20,000 gross, made of M. F. mechanical paper in substance of 50-55 grams/m², in varying numbers of leaves. Bid deadline: soon as possible. Bids should be mailed to: The Manager, at Addis Ababa address. Further details available from U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3530.

Soap, detergents, cleaning preparations, perfumes, cosmetics

● **28410—ETHIOPIA**—Supply of 3.5 million kilograms of laundry soaps in 100 and 200 gram sizes, to have minimum fat content of 60 percent, 25 percent maximum foreign matter of low solubility in ethanol, 0.08 percent total free caustic alkali, 0.05 percent unsaponified matter, and 1.0 percent chloride content. Sample to be sent by air parcel post. Brand name, price per unit of sale f.o.b. or c.i.f. Ethiopian ports, terms of payment and discount scheme, if any, to be included in quotation. Quotations to be submitted promptly as possible to The Manager, Ethiopian Import-Export Corp., P.O. Box 1897, Addis Ababa, telex 21041.

● **28420—ETHIOPIA**—Supply of 70,000 kg. of shoe polishes, specifications as follows: nonvolatile matter 25-35 percent; ash of nonvolatile matter, max. 2 percent; softening point of nonvolatile matter, min. 60 degrees C.; distillation range of volatiles, 140-220 degrees C.; flash point, min. 35 degrees C.; water, 2 percent. Product literature required. Samples of products to be sent by air parcel post. Brand name, price per unit of sale f.o.b. or c.i.f. Ethiopian ports, terms of payment and discount scheme, if any, to be included in quotation. Submit quotation soon as possible to The Manager, Ethiopian Import-Export Corp., P.O. Box 1897, Addis Ababa, telex 21041.

Fabricated rubber products

3069881—BOLIVIA—Rubber toys, all types for babies. Reply to—Julio S. Guemeryl, Importaciones Y Representaciones "Sertex," Casilla 5604, La Paz.

Glass products, made of purchased glass

3231351 — AUSTRALIA — Reflective window glass made by enclosing aluminum or similar substances between sheets so visibility is only 1 way. Covers Australia. Potential for this material believed excellent. Reply to—Mr. N. Handley, Mng. Dir., McPhee Estates Pty. Ltd., Warrangi St., Turramurra, NSW 2074, tel. 273615.

Steel mill products

● **33100—GHANA**—9,240 ft. steel pipe for water mains; 58,000 ft. steel or ductile spun iron pipes for water mains. Tender No. WWD 3300; bid deadline extended to Aug. 28. Civil Engineering Stores, Ghana Supply Commission, P.O. Box M-35, Accra. Tender documents available at above address for $130.

● **33100—PAKISTAN** — 2,689,000 ft. API steel linepipe 5L/5LS, grade B, sizes 8⅝ to ¾ inch O.D. Pipe should be seamless, electric resistance welded or special welded. Tender

No. SN-3325/75; bid deadline Aug. 11. Sui Northern Gas Pipelines Ltd., Monnoo House, 3 Montgomery Rd., P.O. Box 56, Lahore. Tender documents available from Iron and Steel Program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2438.

Rolling, drawing & extruding of nonferrous metals

• **33500—URUGUAY**—39,150 meters trunk and local telephone underground cables and wire plus accessories and tools for installation, distribution panels and control system. Tender No. 7348; bid deadline Aug. 6. Administracion Nacional de Telecomunicacaiones (ANTEL), Paraguay 2431, Piso 6, Montevideo. Tender documents available at above address.

• **33500—EL SALVADOR**—Telephone communication wire and cable of several types, for urban and rural networks. Tender No. 8/75; bid deadline Aug. 13. Administracion Nacional de Telecomunicaciones (ANTEL), Departamento de Suministros, Edificio Administrativo, Centro de Gobierno, San Salvador. Purchase financed by IBRD. Tender documents, in Spanish, available at above address for 100 colones ($40). Correspondence in Spanish requested.

Engines, turbines

• **35110—REPUBLIC OF CHINA** — Five impulse type steam turbines with reduction gears and accessories (three 1,000 HP at 4,500 RPM, and two 770 HP at 4,500 RPM). Tender No. GF 4-641067. Bid deadline Aug. 18. Procurement Department (GF4-641057), Central Trust of China, 49 Wuchang St., Sec. 1 Taipei 100. Tender copies available from above address.

Construction, mining, materials handling machinery, equipment

• **35360—MALAYSIA**—National Electricity Board is inviting bids from manufacturers for supply, delivery and supervision of erection of following: (1) One 15-ton mobile gantry crane, and one 110-ton gantry crane with 27 feet span. Contract No. 5067/13. Bid deadline about Aug. 15; (2) Draft tube gates and pier nosings, contract No. 5067/14. Bid deadline about Sept. 1; and (3) 300 tons of structural steel framing for power station 200 by 60 by 50 feet. Tender documents available from Project Manager, Temengor Hydro-Electric Project. The Shawinigan Engineering Co., Ltd., P.O. Box 3010, Station B, Montreal, Quebec, Canada H3B 3L7 on payment of $250 for each contract requested. Each application for tender documents must be accompanied by details of bidder's experience and competence and a copy sent to Project Engineer, Temengor Hydro-Electric Project, Hydro-Electric Division, 4th Floor, National Electricity Board, P.O. Box 1003, Kuala Lumpur.

Special industry machinery

• **35590—EGYPT** — Design and supply of equipment and machinery for extension of soda ash and caustic soda plant using Solvay process. Bids scheduled for release Dec. 30. Project will double existing plant capacity from 300 to 600 metric tons per day (tpd) of raw sodium carbonate. Final products to be manufactured include: 150 tpd dense soda ash, 250 tpd light soda ash, 130 tpd caustic soda (100 percent NaOH), 15 tpd refined sodium bicarbonate. Plant operated by Misr Chemicals Co., one of the largest concerns in Egypt, which has allocated between $15-20 million for plant extension. Write to: Misr Chemical Industries Co. Saa. Cable: Chemco-Alex. Phones: 38420, 38427/29. Officer: Engineer Mohamed Shaheen.

• **3559562—ALGERIA**—All equipment necessary to add a production line of polyvinyl chloride (PVC) injected boots. Installation in existing plant at Sidi Bel Abbes, Avenue Mohamed V, Western Algeria. Basic capacity 300,000 pairs of boots per year. Bid deadline Sept. 1. Correspondence (in French) and submission of tenders (by registered mail) should be addressed to: Direction des Etudes, Sonipec, Rue de Tripoli, Hussein-Dey, Algiers. Cable: TAL ALGER. Telex: 52832. Offer to be f.o.b. and c.i.f. for materials and equipment, in four copies, in French, and to include training of personnel, technical assistance for three months, parts, technical literature, guarantee, references, financing terms, and after-sales service. Bid offer to remain valid six months after deadline. All specs. metric.

Office, computing, accounting machines

• **35730 — SYRIA** — Petroleum Director, Mutanabi St., Damascus, is seeking bids for 2 computers provided with necessary programming to be used in oilfields. Bid deadline Oct. 4.

Electrical industrial apparatus

• **36210—AFGHANISTAN**—One 10 KW—220/420V generator to operate x-ray unit. Catalogs and c.i.f. Karachi price lists requested. Tender No. 350/42. Azimullah Ariana, Director General, Department of Planning, Ministry of Public Health, Kabul.

• **36210—SRI LANKA** — Bid deadline on supply and installation of diesel generating equipment on Tender No. CO/C&S/T/42/75 extended to July 30.

Communications equipment

• **36610—BRAZIL**—Companhia do Metropolitano do Rio de Janeiro Praia do Botafog, 480-ZC-02, Rio de Janeiro, RJ Brazil, has announced it will hold an international tender for purchase of telecommunications, central control signalling, and automatic pilot equipment for the Rio subway. Complete set of instructions for participants and full specifications in English may be purchased at above address for approximately $6,250 per set.

• **36610—IRAN**—Ministry of Roads, Iranian State Railways, Tehran, has issued Tender No. 12/54 for supply of 11 items different types of armoured underground telephone cable accessories. Bid deadline Sept. 1. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

• **36620—TURKEY** — Milli Savunmabakanligi, Tedarikd Daiersi Baskanligi, Ankara, has issued tender for training equipment consisting of: 3 sets language laboratories; 20 video cassette tape sets; 10 video tape units; 5 training TV cameras, 2 sets TV studio and broadcast room equipment; 4 16mm film projectors, 10 super-8 cameras, monitors, adapters, etc. Bid deadline Aug. 11. Bidding specifications available in English from Modern Translation Bureau, Karanfil Sokak 49/2, Yenisehir, Ankara, for $6.

• **36620—EL SALVADOR** — Proveeduria Especificia de Obras Publicas, 12 Calle Poniente 228, San Salvador, has issued Tender No. 45 for supply and installation of stationary and mobile (ground) radio transceiver stations, equipment and accessories. Bid deadline Aug. 18. IDB Loan Contract #21/SF-ES. Complete sets of bidding regulations and technical tender specifications, in Spanish, available free to interested bidders at above address. Copy of documents available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Instruments for measurement, analysis and control

• **38240—PAKISTAN**—Managing Director, Sui Northern Gas Pipelines, Monno House, 3 Montgomery Rd., P.O. Box 56, Lahore, has issued Tender No. SN-3341/75 for supply of 2,654 commercial and industrial gas meters, capacity between 25 to 5,000 cubic ft. per hour. Bid deadline Aug. 15. Financing from $60 million IBRD loan. Copy of tender documents available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

• **38240—PAKISTAN** — Sui Northern Gas Pipelines, Monno House, 3 Montgomery Rd., P.O. Box 56, Lahore, has issued Tender No. SN-3339/75 for 39,500 residential-size gas meters. Bid deadline Aug. 13. Financing from IBRD loan. Copy of tender document available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

• **38250—INDIA**—Joint Director, Railway Electrification (Stores), Railway Board, Rail Bhavan, Raisina Rd., New Delhi 110001, has issued Tender No. RE(S)/1 of 1975 for following measuring instruments required for installation and maintenance of VF repeater station, cable huts and loaded VF underground telecommunication cables carrying railroad telecommunication: block circuits impedance bridge (3 sets); capacitance unbalance measuring set (2); cross talk measuring set (2); psophometer (2); impulse recorder (1); and transmission measuring set (2). Bid deadline Aug. 26. Copy of tender documents available from India Supply Mission, 2536 Mass. Ave., NW, Washington, D.C., for approximately $3.75 per set, or on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Optical instruments, lenses

• **38320—ETHIOPIA**—Dr. Berhanu Abegaz, Dept. of Chemistry, Haile Selassie I University, P.O. Box 1176, Adis Ababa, has issued tender for analytical instruments for instructional and research laboratories. Bid deadline soon as possible. Tender is for expansion and renovation of science center. Construction to begin in October. U.S. $0.6 million allocated for this purchase. Illustrative catalogs requested. List of items requested available to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Photographic equipment, supplies

• **38610—ALGERIA** — Direction des Importations, Departement Monopole Service Photo, Rue Larbi Tebessi, Belgcourt, Algiers, has issued Tender No. 2-75 for supply of photographic paper as follows: 4 000,000 sq. meters in 200,000 rolls in sizes 20M x 75CM, 20M x 90CM, and 20M x 110CM; 400,000 sq. meters in 20 000 rolls in sizes 20M x 75CM, 20M x 90CM, and 20M x 110CM. Bid deadline Aug. 5. Copy of tender document in French available on short-term basis to firms located in U.S. from Science & Elec-

tronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Pens, pencils, office, artists' materials

• **39500—ETHIOPIA** — Writing instruments and other office supplies, specifically 50,000 gross ballpoint pens (low-priced); 20,000 lead pencils HB; 2,000 gross lead pencils 2H; 20,000 boxes 100 each paper clips, 2.7 mm; 6,000 boxes 100 each paper clips, 3.2 mm; 30,000 boxes 50 grams each office pins; 20,000 boxes 1,000 each staples for 24/6 staplers; 500 boxes 40 each erasers, typing and pencils; 80,000 flat files with fasteners, DIN A-4; 60,000 letter files, box mounted with index, 85 mm back, DIN A-4. Samples to be sent air parcel post to Manager, Ethiopian Import-Export Corp., P.O. Box 1897, Addis Ababa, telex 21041. Brand names, price per unit f.o.b. or c.i.f. Ethiopian port, and terms of payment to be included in quotation. Payment to be made from corporation's working capital.

Textile remnants

7399000—JAPAN—Designs drawn on papers or fabrics such as silk/synthetic. Made-up designs made of rubber ink to be used for transfer printing of shirts, etc. Reply to—Mr. Nobuo Takami, Pres., Continental Trading Corp., 170, Nishi Ohkubo 4-Chome, Shinjuku-ku, Tokyo 160. Cable: Otomosorin Tokyo; tel: 03-209-6567.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Manufacturing industries

3996035, 3996051—AUSTRIA — Cushioned floor coverings, 12 ft. wide, in rolls; wall covering materials. Seeks excl. distributorship arrangement for Austrian market. Specializes interior decorating materials, building components, folding doors, sun shades, related products. Substantial importer. Settles payments within 10 days after receipt of goods. Offers should include free samples or patterns, photographs, full technical specs & c.i.f. Austrian border prices. Reply to—Kaus Gruen, Mgr., Plastic K.G., Wickenburggasse 32-36, A-8010 Graz, tel: 03122/61640.

Future Construction Abroad

ALGERIA—The government is accepting bids for construction of **main works for a new dam** at Sidi Abdelli (Oued Isser) Wilaya of Tlemcen in Western Algeria. Project includes earth dam wall 65 meters in height, with 4 million cubic meters of fill, a free-air flood drain to discharge 3,500 cubic meters per second, and 50,000 cubic meters concrete, as well as other related works. Bids due by Aug. 1 to Monsieur le Directeur des Projects et Realisations Hydrauliques, Division des Barrages Ouest, Secretariat d'Etat a l'Hydraulique Oasis, Saint Charles Birmandreis, Algiers (Cable Secretary Alger, Telex 52981). Offers should remain valid 130 days past bid deadline; correspondence should be in French, with all specifications metric. Tender documents in French may be purchased from above address for 500 Algerian dinars (US $129.14), or are available for review with Ms. Cherie Loustaunau, Rm. 6015B, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-4441.

JAMAICA—General contractors interested in prequalifying for **expansion of Sangster and Manley International Airports** should request the "Confidential Statement for Determining Prospective Bidder's Responsibility Form, including Project Highlights and Bidding Guidelines and Information" from Director of Major Projects, Ministry of Works, 140 Maxfield Ave., Kingston 10, Attn: Project Coordinator-Airports Unit (phone 936-3110). Completed forms in quadruplicate must be submitted to same address by Aug. 25. Seven lists of qualified general contractors will be compiled—buildings, pavings, siteworks and electrical at Sangster and buildings, pavings and electrical at Manley. Firms are invited to prequalify for one, several, or all 7 areas of work. Financed by World Bank and Jamaican Government. OPIC.

EGYPT—Bids are being accepted by the government for supply, supervision of erection, and testing of complete **"National Energy Control Center" and associated communications systems for telephone data acquisition and control.** Project will exceed US $1 million in value. Offers due by Sept. 1, at General Egyptian Electricity Corp., Nasr City, Cairo. Tender documents available from that address for 200 Egyptian pounds (US $510) plus airmail postage or may be reviewed with Ms. Cherie Loustaunau, Rm. 6015B, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-4441. OPIC.

TRINIDAD AND TOBAGO—The government is inviting contractors to prequalify for inclusion in list of contractors to tender for construction of **highway overpass, interchange, and four miles of a two-lane highway paralleling an existing highway.** Anticipated that prequalified firms will be invited to tender in September, and that contract will be awarded in December. Completion period will be 30 months, plus additional 12-month guarantee period. Prequalification forms and abbreviated specifications available from Director of Highways, Highway Division, Ministry of Works, 1A Edward St., Port of Spain. Contractors wishing to bid must prequalify as to A) Experience in similar highway and bridge construction; B) Equipment, plant and personnel available; C) Financial standing; and D) Maximum use of indigenous labor and locally available materials and plant and equipment. Deadline for submission of prequalification forms is Aug. 15. OPIC.

PANAMA—Firms interested in bidding on **two highway construction projects** can obtain bid documents in person or through local representatives at Ministerio de Obras Publicas, Calle 50 y Calle 88, San Francisco, Edificio de la Aduana del Ministerio de Hacienda y Tesoro, Panama, R.P. with certified check for $200 payable to Ministerio de Obras Publicas III Programa MOP-BID, Fondo Rotativo. Certification of technical and financial qualifications in accordance with the "Pliego de Bases y Condiciones Especificas" must be presented prior to bid opening. Partially financed by I-ADB loan. Bid deadline for 10.8 km. road from Jacu to Porton in Chiriqui Province (estimated value $6 million) is Aug. 13; for 22.2 km. road from La Pintada to Toabre in Cocle Province (estimated value $8 million) Aug. 20. Both projects include grading, fill, drain pipe, culverts, bridges, base material and asphalt paving.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

ETHIOPIA—Water Supply—Addis Ababa II Project, a sewage disposal development for southern Addis Ababa, will serve 110,000 inhabitants. Project study made in conjunction with Water Supply Improvement Project I, now under construction, and the two projects originally estimated to cost $16 million. While IBRD approved loan for both projects, increased material and labor costs resulted in Project I absorbing entire loan. The government has now approached the African Development Bank for assistance. Contact: Ato Kelkelew, General Manager, Water and Sewerage Authority, Addis Ababa. OPIC.

NEW ZEALAND—Bay of Plenty Harbour Board is planning next phase of its **expansion program for Port of Tauranga.** Export of logs through port have diminished sharply, and Board is planning to convert it to container port. About $NZ5.5 million will be spent on this portion of project. Next project is petroleum jetty for about $NZ1.5 million. Program involves expenditure of about $NZ7 million in next two years and at least $NZ30 million ($NZ1.00 = US$1.31) over whole period of plan. Only small proportion will be for imported equipment or services, but some significant purchases will be made abroad. Board plans to invite proposals for on-dock box handling equipment soon. Delivery time will be principal factor. Any firm that can quote 18 - 24 months or less will have decided advantage. Direct inquiries to: L.H. Brueton, Port of Tauranga, Bay of Plenty Harbour Board, Private Bag, Mount Maunganui, New Zealand.

AUSTRALIA—Newcastle Harbor is to be deepened from 36 ft. to 50 ft. With 4 ft. tide rise, the 54 ft. channel will be able to handle supertanker class vessels. South Wales Maritime Services Board (MSB) is currently carrying out test bores. First stage of tests should be completed by October, second stage by end of year. MSB will invite companies to register for selection to tender, tenders being due early 1976. Interested firms may contact Maritime Services Board, visit drilling site, and discuss project if they wish. Harbor bottom composed of at least 2 types of rock, metamorphic sandstone and ingneous rock of very dense properties. Project complicated by coal mines in area and some tunneling present in vicinity of harbor. Expected to take 3 to 3½ years and cost minimum of $116 million. Interested firms contact C. Jenkins, Maritime Services Board of New South Wales, Circular Quay, Sydney, N.S.W. 2000.

PERU—Ministry of Transport and Communications (MTC) has appointed Commission to undertake preparation of documents for international bids for **radar system for Lima-Callao Airport.** Commission is headed by Major Fap Julian Olivera Angeles, Chief of Air Regulations Div. of Air Transportation Bureau, Lima.

☆ U.S. Government Printing Office: 1975, 210-923/1

Commerce Department Directory

Commerce Building, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, (202) 783-9200

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DISTRICT OFFICES

ALBUQUERQUE, N.M., 87101, Room 316, U.S. Courthouse (505) 766-2386.

ANCHORAGE, 99501, 632 Sixth Ave., Hill Bldg., Suite 412 (907) 265-5307.

*__ATLANTA,__ 30309, Suite 523, 1401 Peachtree St., NE. (404) 526-6000.

BALTIMORE, 21202, 415 U.S. Customhouse, Gay and Lombard Sts. (301) 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. (205) 254-1331.

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